

# Corporate information

## Company profile

Company name:	ISEKI & CO., LTD.
Head office:	700 Umaki-cho, Matsuyama-shi, Ehime-ken, 799-2692 JAPAN
Tokyo headquarters:	5-3-14, Nishi-Nippori, Arakawa-ku, Tokyo, 116-8541 JAPAN
Foundation:	August 1926
Paid-in capital:	23,344 million yen
Number of employees:	Consolidated: 5,760 (Development and Production Section: 1,830; Sales Section: 3,538; and Other Sections: 392) Non-Consolidated: 730

(as at December 31, 2017)

## Details of business and offices in Japan and overseas

ISEKI Group develops its business activities centered around the development, production and sales of agricultural machinery related to rice farming, vegetable farming, etc. ISEKI and its associated companies that engage in agriculture-related businesses are associated with one of the following three sections: "Development and Production Section," "Sales Section" and "Other Sections."

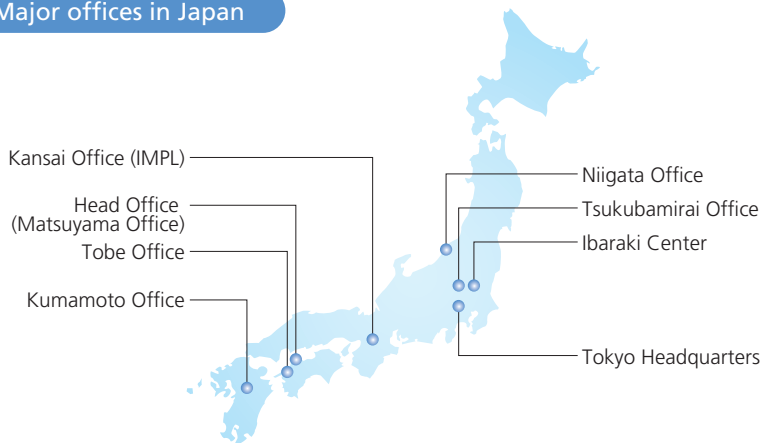
### Development and Production Section

The development and design of agricultural machinery are mainly conducted by ISEKI & Co., Ltd., while the production of agricultural machinery and parts processing related thereto are conducted by associated companies.

### Sales Section

In Japan, ISEKI Group conducts sales activities mainly through its sales subsidiaries across the country. In overseas countries, ISEKI Group conducts sales activities through its associated companies, local sales agencies, etc.

### Major offices in Japan



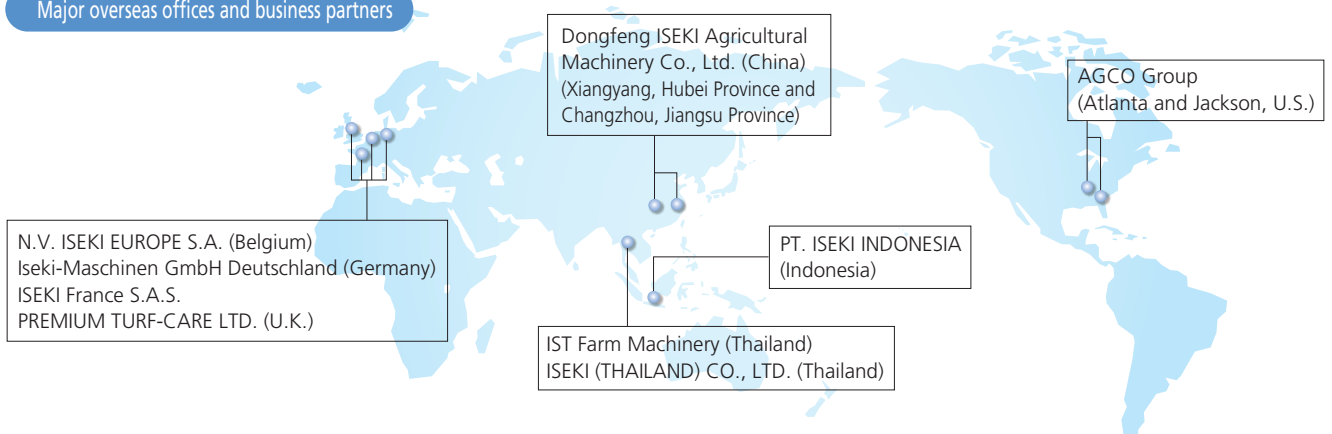
### Sales subsidiaries

ISEKI Hokkaido Co., Ltd.	ISEKI Tokai Co., Ltd.
ISEKI Tohoku Co., Ltd.	Mie ISEKI Sales Co., Ltd.
ISEKI Kanto Co., Ltd.	ISEKI Kansai Co., Ltd.
Gunma ISEKI Sales Co., Ltd.	ISEKI Chugoku Co., Ltd.
ISEKI Shin-etsu Co., Ltd.	ISEKI Shikoku Co., Ltd.
ISEKI Hokuriku Co., Ltd.	ISEKI Kyushu Co., Ltd.

### Associated companies

ISEKI-Matsuyama MFG. Co., Ltd.	ISEKI Matsuyama Factory K.K.
ISEKI-Kumamoto MFG. Co., Ltd.	ISEKI AGRI Co., Ltd.
ISEKI-Niigata MFG. Co., Ltd.	ISEKI Logistics Co., Ltd.
ISEKI-Shigenobu MFG. Co., Ltd.	ISEKI TLS Co., Ltd.
	Kita-Nihon Shodo K.K.

### Major overseas offices and business partners



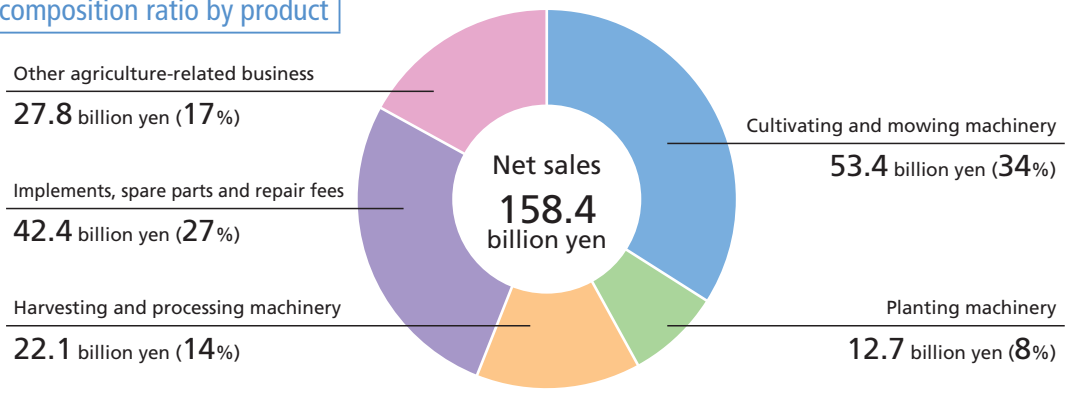
## Major products

<p><b>Cultivating and mowing machinery</b> Tractors, tillers, high-clearance multipurpose vehicles and mowers</p>  <p>Tractors</p>  <p>Mowers</p>	<p><b>Planting machinery</b> Rice transplanters and vegetable transplanters</p>  <p>Rice transplanters</p>  <p>Vegetable transplanters</p>	<p><b>Harvesting and processing machinery</b> Combine harvesters, binders, harvesters, rice hullers, dryers, rice graders and vegetable harvesting and processing machinery</p>  <p>Combine harvesters</p>  <p>Rice hullers</p>	<p><b>Implements, spare parts and repair fees</b></p>  <p>In-ridge partial fertilizer (implements)</p> <p><b>Other agriculture-related business</b> Agricultural facilities and materials</p>  <p>Hydroponics facilities</p>
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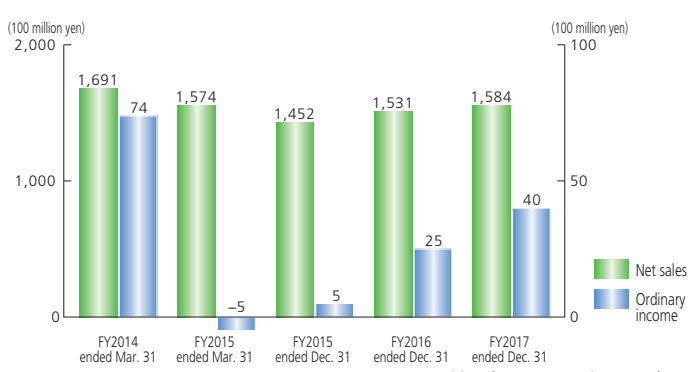
## Financial highlights (Overview of the operating results for the fiscal year ended December 2017)

<p>Net sales (consolidated)</p> <p><b>158.4 billion yen</b></p>	<p>Operating income (consolidated)</p> <p><b>4.0 billion yen</b></p>	<p>Ordinary income (consolidated)</p> <p><b>4.2 billion yen</b></p>	<p>Profit (consolidated)</p> <p><b>2.8 billion yen</b></p>
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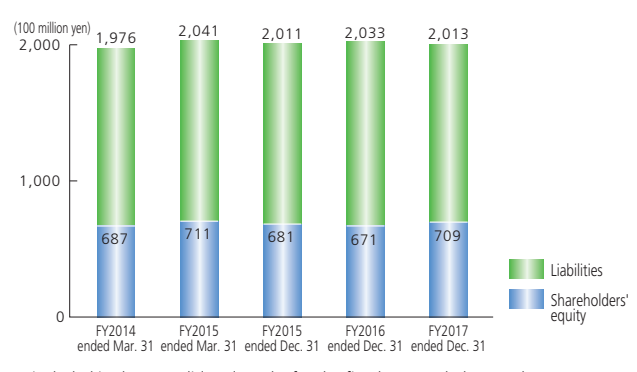
### Net sales composition ratio by product



### Consolidated operating results



### Total assets (liabilities and shareholders' equity)



Note: As a transitional treatment, nine-month results were included in the consolidated results for the fiscal year ended December 31, 2015.

## Development and Production

### We strive to contribute to agriculture in Japan and around the world by drawing on its technological capabilities.

The environment surrounding agriculture is drastically changing.

In Japan, structural changes, such as the introduction of large-scale farming due to the consolidation of farmland, conversion into field crop and vegetable farming, etc., have progressed. Meanwhile, the world has been facing major issues such as an increase in food production following population growth and the preservation of the global environment.

We are engaged in research and development as well as production activities under the motto of contributing to agriculture in Japan and around the world by accurately recognizing such changes and issues and by providing products that satisfy customers.

In order to establish a firm position as an integrated manufacturer specialized in agricultural machinery both in the domestic and global markets with an eye toward the 100th anniversary of our founding in 2025, we will work to “strengthen profitability by optimizing development and production” with “advanced technologies,” “low prices,” “crop conversion” and the “global environment” as the keywords with our technological capabilities mobilized to the fullest extent.



**Osamu Hyodo,**  
Director & Senior Corporate Officer, General  
Division Manager, Development &  
Production Division

## Social issues

	Social issues	Diverse needs
Domestic market	Issues arising out of structural changes in agriculture <ul style="list-style-type: none"> <li>▶ Consolidation of farmland and the introduction of large-scale farming</li> <li>▶ Conversion into field crop and vegetable farming</li> </ul>	Laborsaving and lower costs Simple specifications and low prices High efficiency and durability Increase in the size of machinery Field crop and vegetable farming machinery Utilization of advanced technologies and application of robotic technologies Environmental consideration
Global market	Issues of global population growth and an increase in food production <ul style="list-style-type: none"> <li>▶ Mechanization of agriculture</li> </ul>	

## Initiatives at ISEKI

### Product development aiming at the creation of new value taking advantage of ISEKI's advanced technological capabilities

ISEKI provides products that respond to changes in the market in a timely manner by thinking independently, taking on the challenge with an all-out effort for the resolution of social issues surrounding agriculture, and achieving *Henkaku* (Change) to a “strong manufacturing group.”

Priority strategic areas in research and development

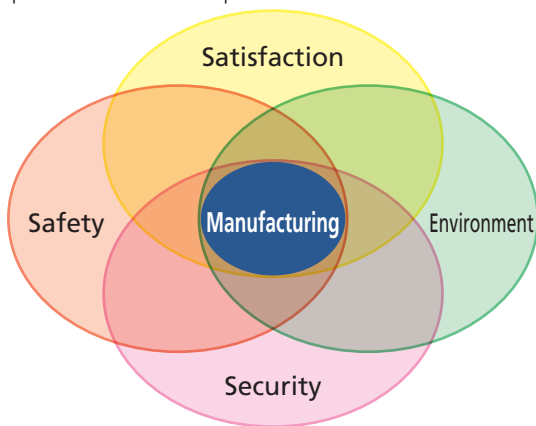
1. Achievement of smart agriculture based on “advanced technologies”
2. Development of “low-priced” agricultural machinery that meets various needs
3. Establishment of integrated vegetable growing system that accommodate “crop conversion”
4. Promotion of development of eco-products that are friendly to the “global environment”

## Research and development and intellectual property strategies that support manufacturing

In terms of the activities to create core technologies for agricultural machinery and related products and intellectual outcomes such as the inventions and creations obtained through such activities, ISEKI works on "business activities that place importance on intellectual property," where rights in relation to such activities and intellectual outcomes are strategically registered and utilized and thereby result in the creation of new value.

### Starting point of manufacturing

ISEKI sets "satisfaction," "safety," "security" and "environment" as the starting point of manufacturing and promotes research and development based on these points.



### Research and development system

The development, production and marketing departments work together to demonstrate their overall capabilities and promote research and development. ISEKI determines the direction for the product strategy and research and development based on the needs and market trends in each region and carries out planning and proposals that promptly meet the needs of domestic and overseas customers.

ISEKI collaborates with test and research institutions, universities, etc., to promote joint research and development with the aim of achieving swift and efficient technology development.

### Joint research in FY2017

Research institutions:  
**12** themes

Universities:  
**2** themes

### Development of high-quality and low-cost products

ISEKI works to produce high-quality and low-cost products based on manufacturing technologies cultivated over many years.

A system for proposing improvements targeting quality improvement, cost reduction and man-hour reduction has been put in place under which active improvement activities are conducted including 57,000 proposals made in FY2017. Value engineering (VE) activities that allow for cost cutting through improvements in products designing and manufacturing methods, parts procurement methods, etc., are also conducted to manufacture products at a lower cost.

### Education on intellectual property and transfer of creation techniques

ISEKI Group proactively undertakes education on intellectual property and creativity so as to invigorate creativity on a group-wide basis and demonstrate its technological capabilities to the fullest extent. Level-specific education on intellectual property according to the number of years of experience has enabled the creation of advanced technologies and high-quality inventions.

Meanwhile, the transfer of invention and creation expertise from veteran engineers to young engineers is promoted with the aim of invigorating and facilitating the development of creative skills and creation activities.

**ISEKI Group works to strengthen human resource development by setting up training facilities specialized in "development" and "production," respectively.**

For more details, please refer to "Communication with employees" on p. 29.

### Mutual study within the group

#### Holding of technology research presentations

Technology research presentations are held annually for parties including the company's executives to share the outcomes of research and development and invention information and to conduct repeated discussions with the aim of raising the level of such matters on a group-wide basis.

In addition, ISEKI Group invites external experts, etc., to present lectures on relevant themes in the pursuit of technological studies and knowledge improvement.



## Innovations taking advantage of ISEKI's advanced technological capabilities

Since its foundation in 1926, ISEKI has developed and provided to markets a great deal of revolutionary agricultural machinery ahead of others, driven by the passion, "I want to free farmers from exhausting labor." Such proactive technology development efforts to develop, launch and commercialize new technologies are exemplified by the high number of patent application registrations in Japan per specialty field, awards received in recognition of the inventions, and high patent allowance rates. ISEKI endeavors to differentiate its products from those of competitors by taking advantage of its "strengths" that by this intellectual property.

### Number of patent application registrations in Japan per specialty field **No. 1** in the "other special machinery sector"

Year	2000-2006	2007-2014	2016
Category	Number of laid-open patent applications per specialty field		Number of patent application registrations per specialty field
Specialty field	Agriculture and fishery	Other special machinery	Other special machinery
Rank	No. 1		

The Patent Administration Annual Report has previously published the number of laid-open patent applications in Japan per specialty field (the results for the year before the previous one); however, starting from the 2017 edition, the results of the number of patent application registrations in Japan per specialty field for the previous year (2016) are being published.

### Patent allowance rate **No. 1** in "all industries"

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Patent allowance rate (%)	84.6	83.7	90.4	89.3	85.8	88.5	91.8	91.8	94.7	97.0	99.2	97.5	100
Rank	No. 1							No. 2	No. 1				

Patent allowance rate = number of patent allowances / (number of patent allowances + number of decisions of refusal + number of withdrawals and abandonments)



1963



1971

Representative innovations taking advantage of ISEKI's technologies

1926



Commenced business with fully-automated rice hullers

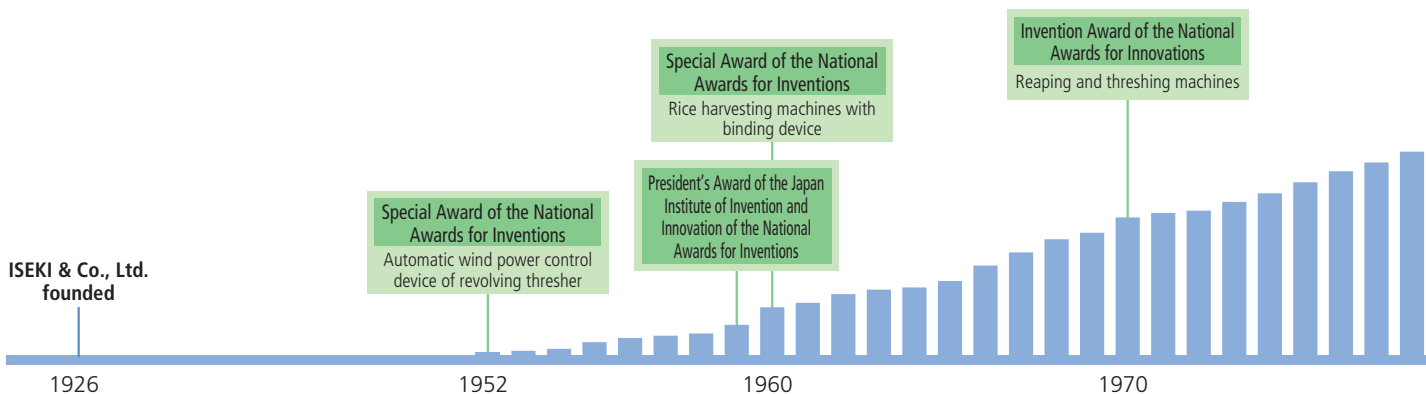
1966



Development of world's first auto-threshing combine harvesters

Selected as one of the "100 Postwar Japanese Inventions"

- Major awards and recognitions
- ▶ "Invention Award of the National Invention Award" (reaping and threshing machines)
  - ▶ "President's Award of the Association to Commemorate a Century of Agricultural Experimentation and Research" (development and dissemination of auto-threshing combine harvesters for commercial use)



## Research and development targeting further evolution

ISEKI aims to further enhance the strategic research and development of a wide variety of products in collaboration with administrative organs, research institutions, universities, JA, corporations, etc. ISEKI is committed to contributing to the sustainable development of agriculture in Japan and around the world by creating new value through research and development taking advantage of the strengths of ISEKI.



Manned monitoring-based robot tractors (slated to be put on the market in 2018)

Received Special Development Award under the Development Award of the Japanese Society of Agricultural Machinery and Food Engineers (2016)

Development of industry's first plant growth diagnosis device

Received the 7th Robot Award: Award of Excellence

Development of industry's first variable fertilizing rice transplanter

Development of a rotary-type transplanting rod that has changed the times

Development of industry's first combine harvester capable of seven-row reaping



1986

2009

2015

2016

1978



Development of large-sized tractors produced in Japan

Development of ride-on rice transplanters

Encouragement Award of the Commissioner of the Japan Patent Office of the Regional Awards for Inventions  
Cultivating and mowing rotors for ride-on rice transplanters

Encouragement Award of the Minister of Education, Culture, Sports, Science and Technology of the Regional Awards for Inventions  
Speed control units for power vehicles

Encouragement Award of the Director-General of the Science and Technology Agency of the Regional Awards for Inventions  
Gear-change transmission devices for combine harvesters

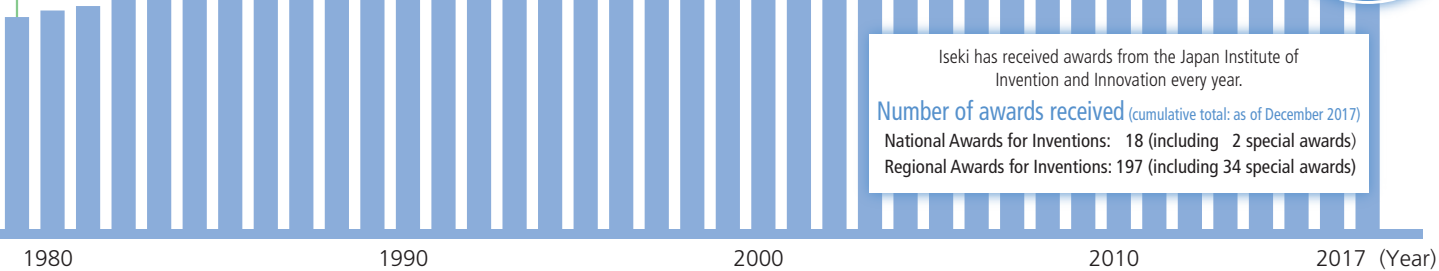
The Asahi Shimbun Award of the National Awards for Inventions  
Travel units for seedling planters

Invention Award of the National Awards for Inventions  
Methods of raising of seedlings

215 awards and recognitions up to FY2017

Iseki has received awards from the Japan Institute of Invention and Innovation every year.

Number of awards received (cumulative total: as of December 2017)  
National Awards for Inventions: 18 (including 2 special awards)  
Regional Awards for Inventions: 197 (including 34 special awards)



## Domestic business development

### Developing initiatives to cope with the agriculture facing significant changes, we will further expand our domestic business.

Agriculture in Japan has been facing the advancement of structural changes, such as the introduction of large-scale farming due to the consolidation of farmland, conversion into field crop and vegetable farming, the entrance of corporations into the agricultural industry, development into the sixth sector industrialization, etc., owing to the structural reform that aims to transform agriculture into a growth industry.

We will respond to changes in the market from both hard and soft aspects with a basic strategy of “strengthening responsiveness to drastic changes in agriculture in Japan.”

We are committed to contributing to the sustainable development of agriculture in Japan by proposing “laborsaving and highly-profitable agriculture” as the “Supporter for the farming industry full of dreams.”

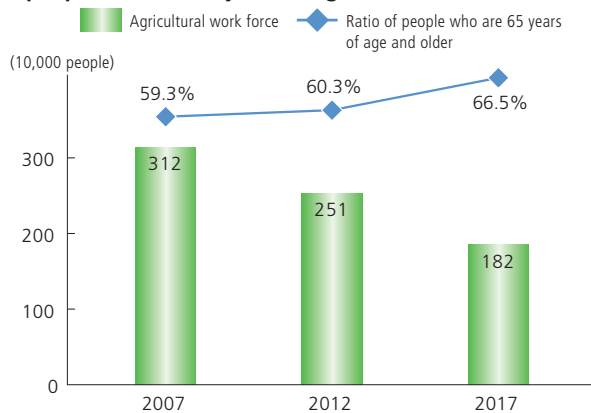


**Yukio Nawata,**  
Director & Managing Corporate Officer, General  
Division Manager of the Business Division

## Social issues

- ▶ A decline in agricultural work force
- ▶ Aging of agricultural work force (an increase in the ratio of people who are 65 years of age and older)

### ■ Agricultural work force and, among which, the ratio of people who are 65 years of age and older



\* Excerpt from the “Statistics concerning Agricultural Work Force” published by the Ministry of Agriculture, Forestry and Fisheries

- ▶ A significant increase in production of vegetables  
→ **Additional production of 2 million tons**
- ▶ Reduction of production cost in wetland rice cultivation  
National average in 2011:  
16,000 yen/60kg → **Reduction of 40% is expected**

### ■ Production targets by item under the Basic Plan for Food, Agriculture and Rural Areas

		2013	2025
Item (10,000 tons)	Rice for staple food	859	752
	Rice for rice flour	2	10
	Rice for feed	11	110
	Wheat	81	95
	Soybean	20	32
	Vegetable	1,195	1,395

\* Excerpt from the “Basic Plan for Food, Agriculture and Rural Areas” published by the Ministry of Agriculture, Forestry and Fisheries and the “Japan Revitalization Strategy”

## Initiatives at ISEKI



### Proposals and support to attain the farming industry full of dreams (i.e., profitable agriculture)

Amid the drastic changes in the environment surrounding agriculture, ISEKI works, as the Supporter for the farming industry full of dreams, to help producers attain agriculture full of dreams (i.e., profitable agriculture) by making wide-ranging farm business proposals from both hard (agricultural machinery) and soft (production management and farm business technologies) aspects.

Proposals aimed at new-age agriculture

1. Product lineup tailored to a wide variety of needs
2. Enhancement of products in response to the introduction of large-scale farming and services including the establishment of large-scale facilities
3. Strengthening of capabilities for offering farm business proposals and support with the Dream Agricultural Research Institute acting as a hub

## Product lineup tailored to a wide variety of needs

### Product lineup that includes simple and low-priced specifications to achieve low-cost agriculture

The products are designed to make proposals that are tailored to customer needs, ranging from simple specifications contributing to the reduction of production material costs to rich specifications incorporating automated technologies that utilize laborsaving ICT and other advanced technologies on the back of the labor shortage. ISEKI Group provides a wide-ranging product lineup centered around tractors, rice transplanters and combine harvesters with the aim of reducing production costs for rice farming.

The TJX series, large-sized tractors with simple specifications, are offered at low prices with carefully selected functions while having ample basic features, and contribute to the reduction of production material costs.



TJX3 series tractors



NP series rice transplanters (simple specifications)



HX series combine harvesters

### Supporting improved productivity through mechanization

Efforts toward creating areas for producing vegetables using rice paddies have been spreading to various locations.

Under the situation where mechanization in the field of vegetable farming has been slower compared with rice farming, ISEKI Group has been working on the development and commercialization of vegetable farming machinery that is suited for the cropping systems in the region. ISEKI Group provides support, along with expertise on how to utilize agricultural machinery, to promote the mechanization of vegetable farming.

Received "2017 Development Award" of the Japanese Society of Agricultural Machinery and Food Engineers



Fully-automated vegetable transplanter PVZ1

## Enhancement of products in response to the introduction of large-scale farming and services including the establishment of large-scale facilities

### Provision of smart agricultural machinery aimed at laborsaving

ISEKI Group is working to develop and promote the widespread use of smart agricultural machinery and farm business management software that utilize advanced technologies such as ICTs and robot technologies with a view to achieving improved productivity and efficiency.

Amid aging and a decline in the agricultural work force, advanced technologies are expected to contribute to laborsaving and the elimination of the shortage of skilled operators.



Straight-travel assisting rice transplanters that make planting in a straight line easier for new farmers who are not accustomed to the machine operations



All-round cultivation system for rice farming that utilizes ICTs and advanced technologies

### Establishment and improvement of large maintenance and service facilities

ISEKI Group has been establishing and improving large maintenance and service facilities capable of handling swift maintenance and services for large-sized machinery that supports the introduction of large-scale farming in all regions across the country.



Chiba Service Center, ISEKI Kanto Co., Ltd.



Obihiro Maintenance Factory, ISEKI Hokkaido Co., Ltd.



Strengthening of capabilities for offering farm business proposals and support with the Dream Agricultural Research Institute acting as a hub

Strategic hub for farm business proposals and support

夢 南 五 農 業 総 合 研 究 所



Dream Agricultural Research Institute (Yumesoken)

ISEKI Group has been working on initiatives for the research, verification and dissemination of smart agricultural machinery that utilizes advanced farm business technologies and other advanced technologies and for the development of human resources capable of offering farm business proposals by strengthening collaboration with administrative organs, research institutions, universities, JA, corporations, etc.

ISEKI Global Training Center (IGTC)

Various training programs are provided for not only employees of ISEKI Group, but also sales and service representatives at suppliers (sales agencies) with the aim of developing human resources.



A wide variety of activities aimed at research, verification and dissemination

The institution supports customers' farm management through a wide variety of activities aimed at research, verification and dissemination.

- ▶ Research and verification concerning cultivation technologies in collaboration with administrative organs, research institutions, universities, etc.
- ▶ Utilization of rice paddies (conversion into soybean, barley or vegetable farming)
- ▶ Support aimed for obtaining GAP certification
- ▶ Proposing cultivation technologies to entrants from other industries and new entrants
- ▶ Support for cultivating regions' traditional crops
- ▶ Support for restoring deserted farmland and regional revitalization in collaboration with administrative organs, etc.
- ▶ Working on a project to support female farmers in Japan ("YUMEARU NOGYOJOSHI OEN" project)

<Support aimed at obtaining GAP certification>  
Seventy staff members (instructors) support the obtaining of GAP certifications including JGAP and ASIAGAP.



Development of professional human resources

Strengthening of farm business proposal capabilities

- ▶ Agri-Heroes Support Project Training (farm business proposals)
- ▶ Team TJ Training (use of large-sized machinery)



Strengthening of technical service capabilities

- ▶ Various training programs provided by the ISEKI Global Training Center (technical services)



\* GAP (Good Agricultural Practice; agricultural production management): A production process management initiative for ensuring the sustainability of food safety, environmental preservation, industrial safety, etc., in agriculture.

## Operation of branches of the research institution

ISEKI has been working on initiatives for community-based research, development and verification as well as farm business proposal and dissemination activities attuned to customers' farm management based on the knowledge and technologies acquired through various training programs, in collaboration with administrative organs, research institutions, universities, JA, corporations, producers, etc.

### Initiatives concerning data-based wetland rice cultivation and management in collaboration with administrative organs and private enterprises

ISEKI Co., Ltd and ISEKI Shin-etsu Co., Ltd. are participating in the "Smart Agriculture Inter-business Cooperation Demonstration Project" at Niigata City that has received designation as a National Strategic Special Zone. Under the project, the participating corporations are combining their respective innovative technologies and making efforts to achieve further laborsaving, lower costs and higher quality of rice farming by consolidating and centrally managing information obtained using ISEKI's smart agricultural machinery and participating corporations' remote sensing systems (drones and artificial satellites) in the farm business management system.



### Initiatives aimed at the mechanization of sesame seed cultivation

The mechanization of sesame seed cultivation is difficult, which has made the import percentage of sesame seeds high. In response to this, ISEKI Co., Ltd and Mie ISEKI Sales Co., Ltd. are working to mechanize sesame seed cultivation in collaboration with the National Agriculture and Food Research Organization, Mie Prefecture Agricultural Research Institute and sesame seed processors and manufacturers to support sesame seed production in Japan and field development for production of sesame seeds.

This initiative is undertaken with the support of the "special scheme project on vitalizing management entities of agriculture, forestry and fisheries" of the Bio-oriented Technology Research Advancement Institution of the National Agriculture and Food Research Organization.



### Collaboration among industry, government, and academia on NOGYOJOSHI (female farmers) Project; Initiatives for buckwheat cultivation

ISEKI Co., Ltd and ISEKI Kanto Co., Ltd. have formed a collaborative relationship on the NOGYOJOSHI Project among industry, government, and academia, for the first time in Japan, with Tokyo University of Agriculture and Ami Town Farming Liaison Council of Ibaraki Prefecture. This effort has contributed to the mechanization of buckwheat cultivation.



## Overseas business development

### We will “expand overseas business” by further accelerating the development of business on a global scale.

Amid the upsurge of the global population, an increase in food production is a global issue. I believe that the role that we - agricultural machinery manufacturers - play will become even more important in view of producing and providing food more efficiently.

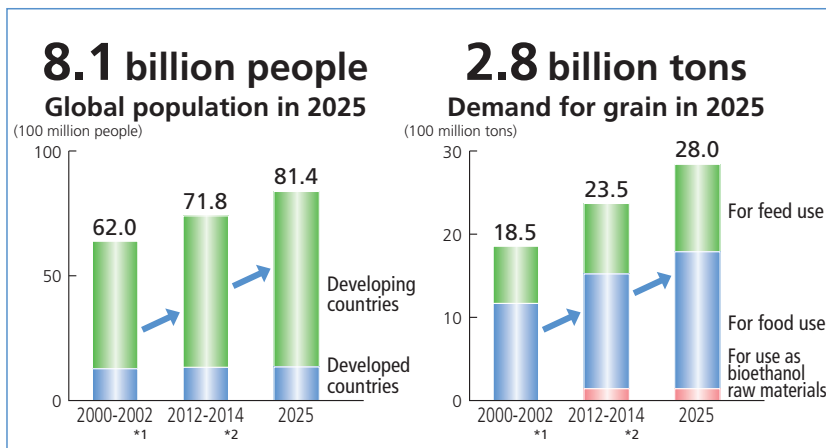
In the Mid-term Management Plan, we position “North America,” “Europe,” “China” and “ASEAN” as the four pillars of its overseas business and sets the overseas sales ratio target for the group, including equity-method affiliates, of 40% to be achieved by 2020. The environment surrounding us has, however, recently been changing quite rapidly and significantly in each region.

We will push forward with the global strategies, in addition to the existing community network, so that we can fully-accommodate these changes and establish a firm position as an agricultural machinery manufacturer in the global market as well.



**Yoshiyuki Toyota,**  
Director & Executive Vice President, General  
Division Manager, Overseas Business Division

## Social issues



\* Excerpt from “World Food Supply and Demand Trends and Projections in the Medium- and Long-Term” published by the Policy Research Institute, Ministry of Agriculture, Forestry and Fisheries (March 2016)  
\* 1: Average of three years between 2000 and 2002 \* 2: Average of three years between 2012 and 2014

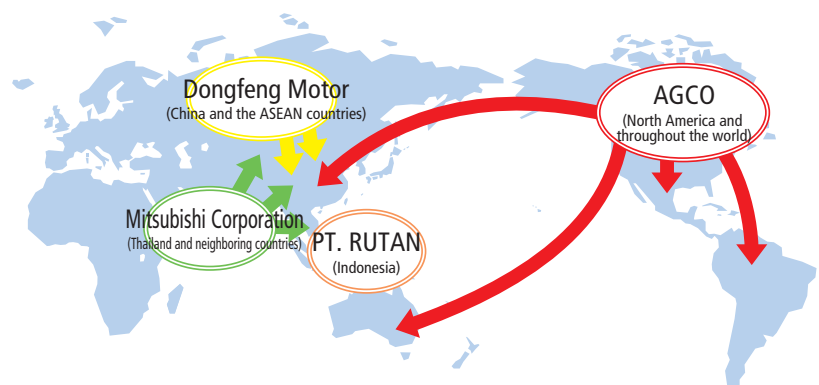
- **Approximately 80%** of rice production and consumption is in the **Asian region.**
- Consumption has increased following the population growth.  
2012-2014(\*2): 410 million tons  
→ 2025: 470 million tons **+15%**
- An increase in the production volume per area is indispensable.  
⇒ **Productivity improvement**
- A decline in agricultural work force following industrialization  
⇒ **Laborsaving through mechanization**

## Initiatives at ISEKI

### Strengthening of collaboration with strategic partners

ISEKI provides products that meet the needs in each market around the world by thoroughly implementing market-orientated strategies in such markets.

ISEKI believes that the supply of agricultural machinery that can contribute to improved productivity, laborsaving, etc., through the strengthening of collaboration with strategic partners and the building of a global production system would open the way for the resolution of the issues facing the world such as population growth, an increase in food production, etc.



## Business in the ASEAN region

In the ASEAN region, where remarkable economic rise has been made in recent years, an increase in food production and a decline in agricultural population following industrialization have become social issues.

IST Farm Machinery Co., Ltd., a sales subsidiary and joint venture with Mitsubishi Corporation has been working on the development and sales of products that meet the local needs. Going forward, ISEKI will push forward with not only the strengthening of the business foundation in Thailand by expanding the dealer network, etc., but also sales expansion into neighboring countries. In addition, ISEKI (THAILAND) Co., Ltd. was established in 2016 as a local subsidiary that is engaged in the development, procurement and sales of implements that are suitable for the environment where they are used. A parts center has also been established to build a system for providing swift after-sales services. Through these and other efforts, ISEKI is striving to proactively expand the business in the region.



IST Farm Machinery Co., Ltd.

## Business in China

China is facing the issues of having a population of more than 1.3 billion and an increase in food production, and there is an increasing need for large-sized agricultural machinery, agricultural machinery equipped with advanced technologies and environmentally-friendly machinery on the back of increasing the scale of agricultural management bodies and the consolidation of farmland.

ISEKI established an office for the production and sales of rice transplanters and combine harvesters in Jiangsu Province in 2003, and a joint venture with the Dongfeng Motor Group in Hubei Province in 2011, which were consolidated into Dongfeng ISEKI Agricultural Machinery Co., Ltd. in 2014.

A new factory was established in Xiangyang, Hubei Province in 2017 with an eye toward further business expansion. The factory is engaged in the manufacture of products such as rice transplanters and high-horsepower tractors that meet the needs of the market. ISEKI will continue strengthening the collaboration with the strategic partner, Dongfeng ISEKI and expand the business.



Dongfeng ISEKI Agricultural Machinery Co., Ltd.

### Topic

## Introduction of environmentally-friendly side-row fertilizing rice transplanters

In China, there is an increasing need for agricultural machinery that helps reduce the burden on environment.

ISEKI has been providing a lineup of side-row fertilizing rice transplanters that enable high-performance operations and the reduction of water pollution.



## Global production system

### PT. ISEKI INDONESIA

Strengthening of initiatives for establishing a system for an increase in production

A production base of tractors for overseas markets that meet the need for low prices.

Since the commencement of the production of tractors for the North American market in 2014, the company has expanded the lineup of models mainly for North America, ASEAN countries and Europe. The production volume topped 10,000 units in 2018, which is equivalent to the current production capacity and is expected to reach 20,000 in 2021. In response to this, ISEKI intends to enhance the production capacity by establishing a production system with the aim of speedily supplying products to markets and improving productivity.

	Production capacity/year (units)
2017	10,000 units
2019	15,000 units
2021	20,000 units



### Xiangyang Factory, Dongfeng ISEKI

An export and production base for China and ASEAN countries

The factory produces rice transplanters, high-horsepower tractors, general-purpose combine harvesters for ASEAN countries, etc., as the export and production base for China and the ASEAN region.

## Business in Europe

In Europe, where especially high environmental awareness is observed in the world, ISEKI's tractors and ride-on mowers are actively used in the field of landscaping, such as lawn mowing in parks as well as cleaning and snow removal on roads.

ISEKI started its business in Europe in the 1960s and established N.V. ISEKI Europe S.A. in Belgium in 1971, disseminating the ISEKI brand in Europe, mainly in France and Germany. ISEKI France S.A.S. was established in 2014 as a core sales base to strengthen partnerships with sales agencies in European countries and provide products that the markets demand. ISEKI intends to further heighten its presence while maintaining a high market share and service capabilities by taking advantage of its strengths accumulated through more than 50 years of history in Europe.



ISEKI France S.A.S.

### Topic

#### Introduction of mowers into the market of landscaping machinery for professional users

ISEKI has been delivering, in response to demand for professional use in the landscaping market, higher-output and more efficient front mowers with grass collection features (SF200 series) that enable stable operations even on slopes.

ISEKI products are widely used by many professional users in Europe who recognize them as "having excellent adaptability and operating performance and being capable of realizing highly-efficient operations."



SF200 series

## Business in North America

ISEKI provides compact tractors of less than 40 horsepower and utility tractors of less than 100 horsepower to the agricultural machinery manufacturer AGCO Corporation which has a broad sales network in the U.S., etc., on an OEM basis. The products are used by a wide variety of users ranging from general consumers for hobby use to professional farmers.

Going forward, ISEKI intends to further strengthen the collaboration with AGCO Corporation and the quality of the ISEKI products that enjoy high recognition, and further expand the business not only within North America, but also into Central and South America.



### Topic

#### Received the "3rd Party Supplier of the Year 2017" award from AGCO

ISEKI received the "3rd Party Supplier of the Year 2017" award in recognition of its product quality at a ceremony for commending excellent suppliers held by AGCO.

