



Financial Results for the Second Quarter
Fiscal Year Ending March 2014
Investor Relations Presentation Materials

ISEKI & CO., LTD.
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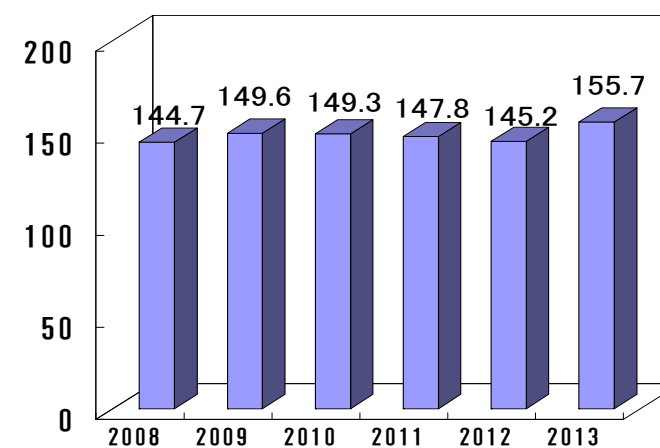




1. Outline of Financial Results for the Second Quarter Fiscal Year Ending March, 2014

(Billions of yen)

Net Sales



(Years ended March 31)



Outline of Second Quarter Business Performance

(JPY bn, %)

Item	11/ Apr.-Sep.	12/ Apr.-Sep.		13/ Apr.-Sep.		Change	13/ Apr.-Sep. Forecast *	Change
			%		%			
Net Sales	72.4	80.4	100.0	82.5	100.0	2.1	83.5	(1.0)
(Domestic)	61.1	69.4	86.3	69.4	84.1	0	68.0	1.4
(Overseas)	11.3	11.0	13.7	13.1	15.9	2.1	15.5	(2.4)
Gross Profit	23.4	25.3	31.5	25.8	31.3	0.5	25.0	0.8
S. G. & A. Expenses	20.8	21.2	26.4	21.6	26.2	0.4	21.8	(0.2)
Operating Income	2.6	4.1	5.1	4.2	5.1	0.1	3.2	1.0
Ordinary Income	2.4	3.8	4.8	4.9	5.9	1.1	3.2	1.7
Net Income	1.8	3.0	3.8	3.2	3.9	0.2	1.9	1.3

* Domestic sales companies/Iseki-Changzhou Mfg. Co., Ltd., etc.

* ISEKI (Non-consolidated)/Domestic manufacturing companies, etc.

Cumulative total: Jan.-Jun.

Cumulative total: Apr.- Sep.

*13/Apr.-Sep. Forecast: Forecast announced on May 13.



Breakdown of Domestic Sales

(JPY bn)

		11/ Apr.-Sep.	12/ Apr.-Sep.	13/ Apr.-Sep.	Change	Note	13/ Apr.-Sep. Forecast *	Change	
Agriculture Related Business	Agricultural Machinery	Cultivating & Mowing Machinery	17.1	18.2	19.1	0.9	Tractors:+1.0	19.0	0.1
		Planting Machinery	7.2	7.8	7.7	(0.1)	Rice transplanters : (0.1)	7.9	(0.2)
		Harvesting & Processing Machinery	6.4	7.7	7.7	0	Combine harvesters:+0.1	7.5	0.2
		Total	30.7	33.7	34.5	0.8		34.4	0.1
	Parts & Farming Implements	15.6	16.5	18.6	2.1	Farming implements :+2.2 Parts:(0.1)	16.4	2.2	
	Construction of Facilities	1.5	5.5	2.2	(3.3)	Major facilities in the previous period	3.2	(1.0)	
	Other Agriculture Related	13.2	13.6	14.1	0.5		13.9	0.2	
	Total	61.0	69.3	69.4	0.1		67.9	1.5	
Other Business Total		0.1	0.1	0	(0.1)		0.1	(0.1)	
Total		61.1	69.4	69.4	0		68.0	1.4	

*13/Apr.-Sep.Forecast:Forecast announced on May 13



Breakdown of Overseas Sales

(JPY bn)

	11/ Apr.-Sep.	12/ Apr.-Sep.	13/ Apr.-Sep.	Change	Note	13/ Apr.-Sep. Forecast*	Change
North America	2.8	2.7	4.9	2.2	Tractors: +2.2	5.0	(0.1)
Europe	3.0	2.1	1.9	(0.2)	Tractors:(0.1) Lawn mowers:(0.1)	2.5	(0.6)
China*	4.3	4.3	4.7	0.4	Rice Transplanters : +0.3	6.6	(1.9)
Other Asia	0.1	0.6	0.5	(0.1)	Tractors: +0.1 Combine harvesters:(0.2)	0.2	0.3
Oceania	0.3	0.3	0.2	(0.1)	Lawn mowers:(0.1)	0.4	(0.2)
Products Total	10.5	10.0	12.2	2.2		14.7	(2.5)
Parts & Others	0.8	1.0	0.9	(0.1)		0.8	0.1
Total	11.3	11.0	13.1	2.1		15.5	(2.4)

* Sales in China are actual results (Jan. – Jun.)

*13/Apr.-Sep. Forecast: Forecast announced on May 13.



Operating Income

(JPY bn, %)

Item	11/ Apr.-Sep.	12/ Apr.-Sep.		13/ Apr.-Sep.		Change	13/ Apr.-Sep. Forecast*	Change
			%		%			
Net Sales	72.4	80.4	100.0	82.5	100.0	2.1	83.5	(1.0)
Cost of G. S.	49.0	55.1	68.5	56.7	68.7	1.6	58.5	(1.8)
Gross Profit	23.4	25.3	31.5	25.8	31.3	0.5	25.0	0.8
S. G. & A. Expenses	20.8	21.2	26.4	21.6	26.2	0.4	21.8	(0.2)
Operating Income	2.6	4.1	5.1	4.2	5.1	0.1	3.2	1.0

[Operating income, Factors of YoY change]

▪ Increased gross income by increased revenue including foreign exchange	:+1.5
▪ Increased development and facility cost	:(0.7)
▪ Increased S.G.& A. expenses	:(0.4)
▪ Others	:(0.3)
	:+0.1

Ordinary Income and Net Income

(JPY bn)

	11/ Apr.-Sep.	12/ Apr.-Sep.	13/ Apr.-Sep.	Change	13/ Apr.-Sep. Forecast *	Change
Operating Income	2.6	4.1	4.2	0.1	3.2	1.0
Net Financial Income	(0.4)	(0.4)	(0.4)	0	(0.4)	0
Other Non-operating Income	0.2	0.1	1.1	1.0	0.4	0.7
Ordinary Income	2.4	3.8	4.9	1.1	3.2	1.7
Extraordinary Gains	0	0.2	0.1	(0.1)	0	0.1
Extraordinary Losses	(0.3)	(0.2)	(0.1)	0.1	(0.1)	0
Income before Income Taxes	2.1	3.8	4.9	1.1	3.1	1.8
Taxes, Deferred Taxes	(0.3)	(0.8)	(1.7)	(0.9)	(1.2)	(0.5)
Net Income	1.8	3.0	3.2	0.2	1.9	1.3

* Factors of YoY change

[Other non-operating income] Foreign exchange valuation gain or loss :+0.9
Others :+0.1



Balance Sheet

(JPY bn)

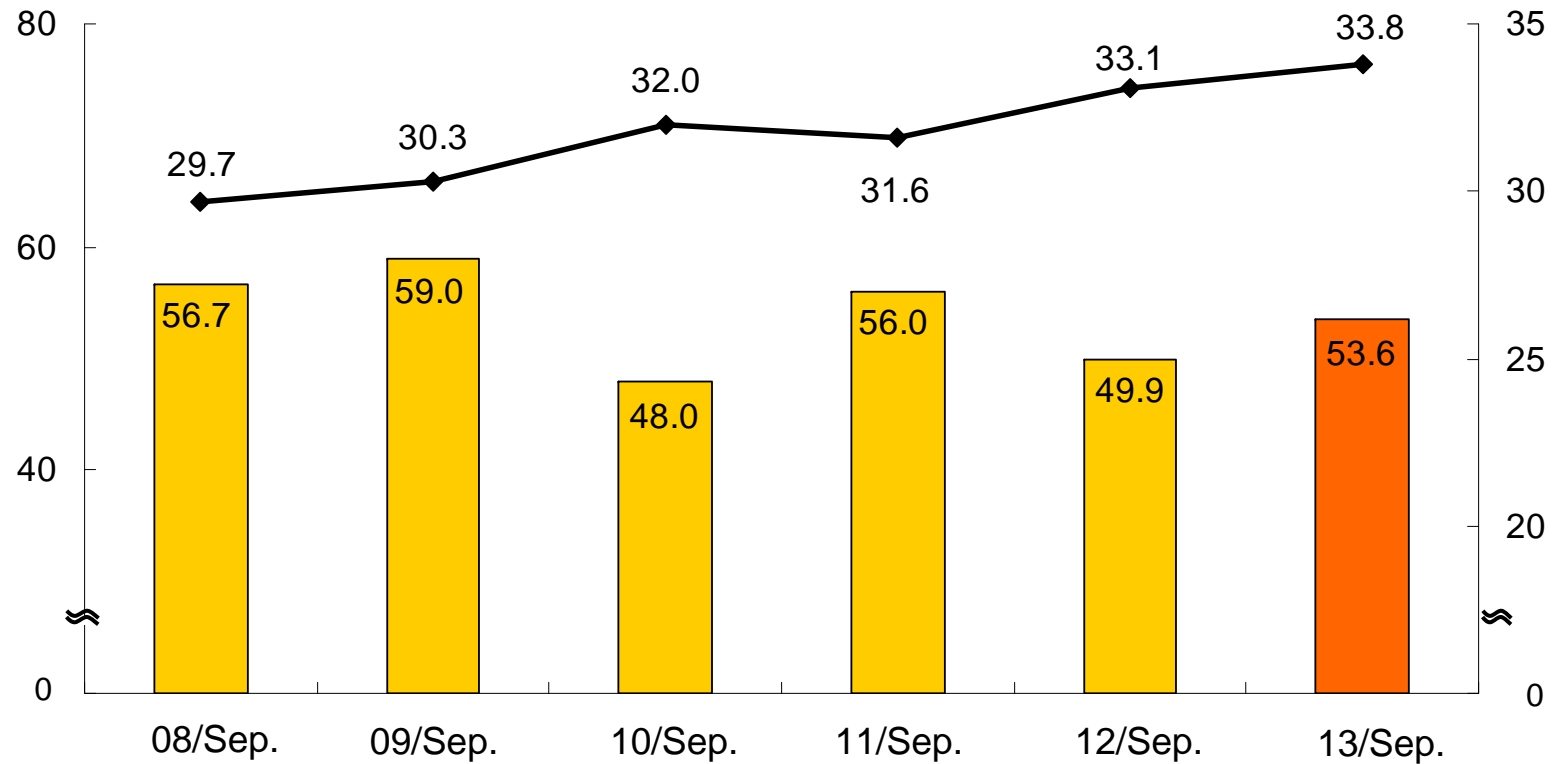
Item	11/Sep.	12/Sep.	13/Sep.	Change	13/Mar.
Cash/Deposits	9.3	8.8	7.0	(1.8)	9.3
Accounts Receivables	31.9	36.4	41.6	5.2	30.5
Inventories	38.8	39.4	44.6	5.2	42.7
(Product Inventory)	24.9	25.4	27.4	2.0	27.3
Other Current Assets	2.4	2.8	3.1	0.3	3.8
Noncurrent Assets	90.9	89.6	95.8	6.2	92.7
Total Assets	173.3	177.0	192.1	15.1	179.0
Accounts Payables	38.6	44.4	45.5	1.1	42.6
Debts/Bonds	50.7	43.8	47.0	3.2	41.7
Other Liabilities	27.7	28.6	33.1	4.5	31.8
(Total Liabilities)	117.0	116.8	125.6	8.8	116.1
Net Assets	56.3	60.2	66.5	6.3	62.9
(Retained Earnings)	7.0	10.6	14.0	3.4	11.5
Total Liabilities and Net Assets	173.3	177.0	192.1	15.1	179.0



Interest Bearing Liabilities & Equity Ratio

Balance of interest bearing liabilities (JPY bn)

Equity Ratio (%)



	08/Sep.	09/Sep.	10/Sep.	11/Sep.	12/Sep.	13/Sep.
D/E Ratio	1.07	1.08	0.87	1.00	0.83	0.81

* D/E Ratio= Interest bearing liabilities/Net assets

* Lease liabilities are included after 09/Sep.





2.Recent Development in Domestic and Overseas Markets

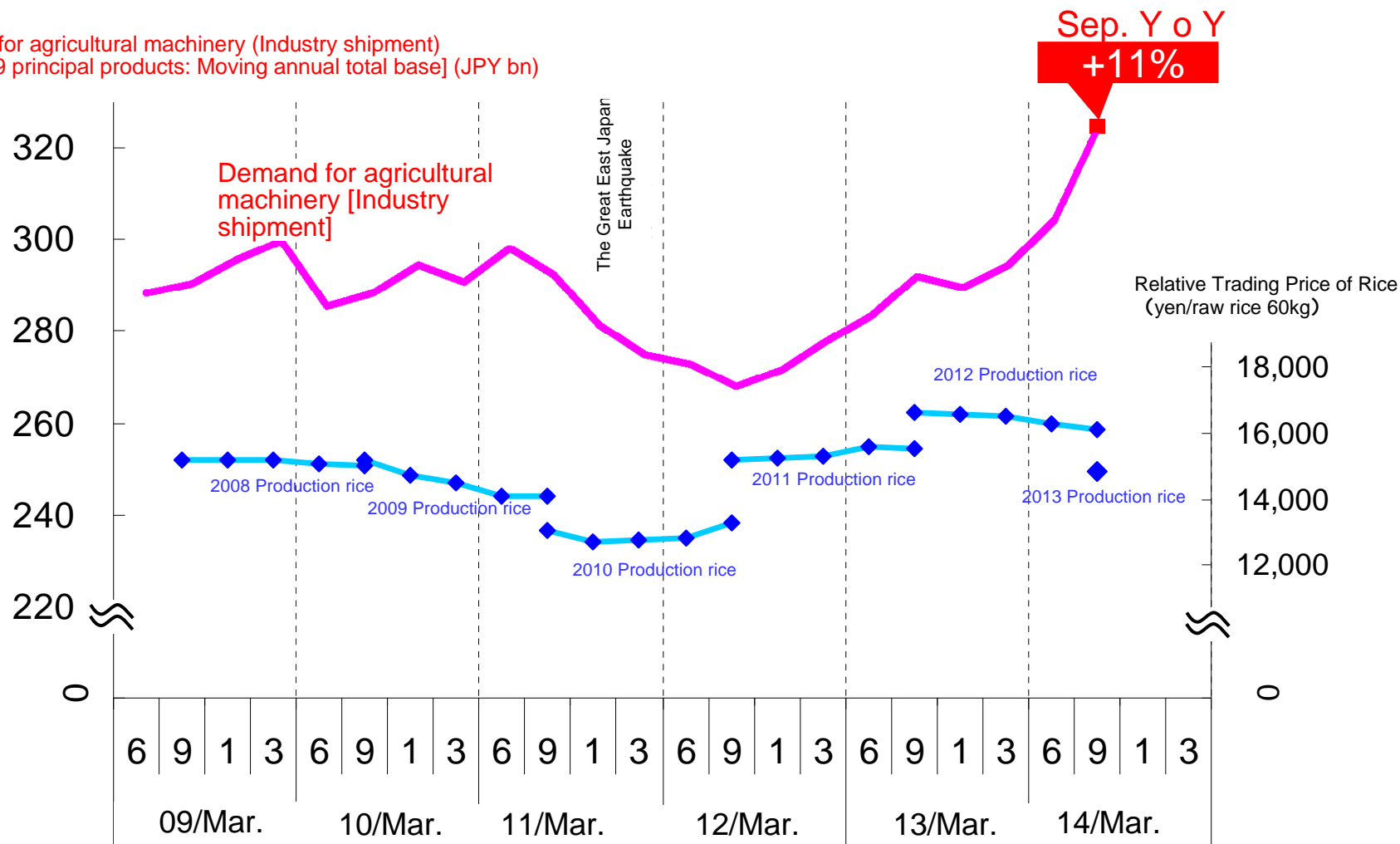


New Tractor NTA, NT Series for domestic
25~55HP



Trends in Domestic Agricultural Machinery Market

Demand for agricultural machinery (Industry shipment)
 [Total of 9 principal products: Moving annual total base] (JPY bn)



[Demand] Shipping Statistics of Japan Farm Machinery Manufacturers Association
 [Price of rice] Relative trading price : MAFF



Domestic agricultural machinery shipment and effective sales of ISEKI

Total amount of 9 principal products base, Y o Y growth rate
(Amount, Moving annual total)

%

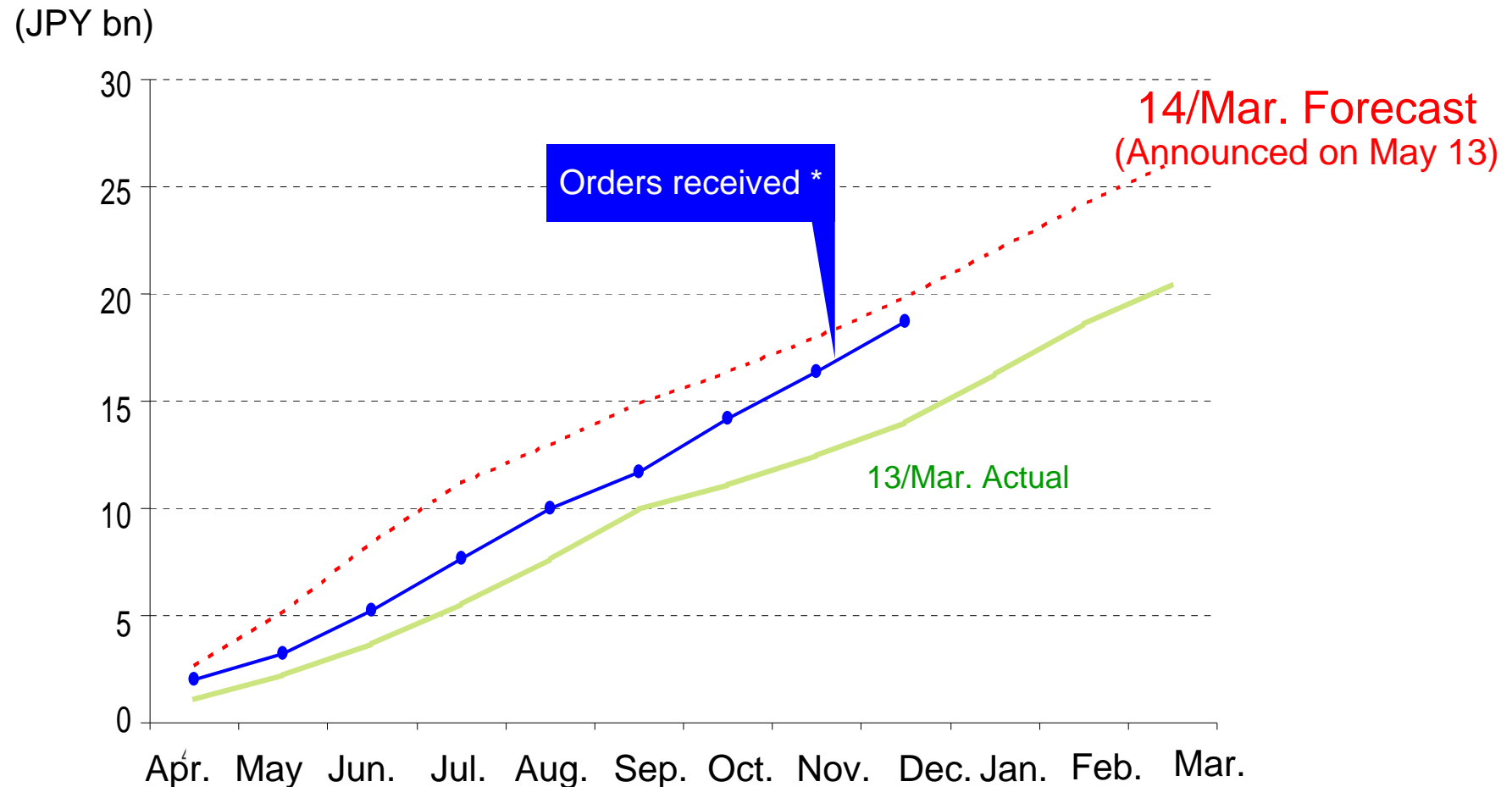
	09/Mar.	10/Mar.	11/Mar.	12/Mar.	13/Mar.	13/Sep.
Industry (Shipment)	108	97	95	101	106	111
ISEKI (Effective sales)	107	97	96	103	104	105

Immediate trend
(Cumulative)

	13/Apr.-Oct.
ISEKI (Amount of Shipment)	120



Recent Trend of Overseas Product Sales



* 14/Mar. Orders received (Apr. ~ Dec.)

North America, Europe, Asia except China, Oceania: Apr.-Jun. is based on result of shipping, Oct.-Dec. is based on orders received.

China : Actual sales for Jan.-Sep.



Trend in Overseas Market (North America)

1. Trend of Tractor Market in North America

Trend of economic recovery in North America. Demand for both compact tractors and utility tractors shifted higher than the previous year.

Source: AEM statistics : (Association of Equipment Manufacturers)

(Unit: 1000)

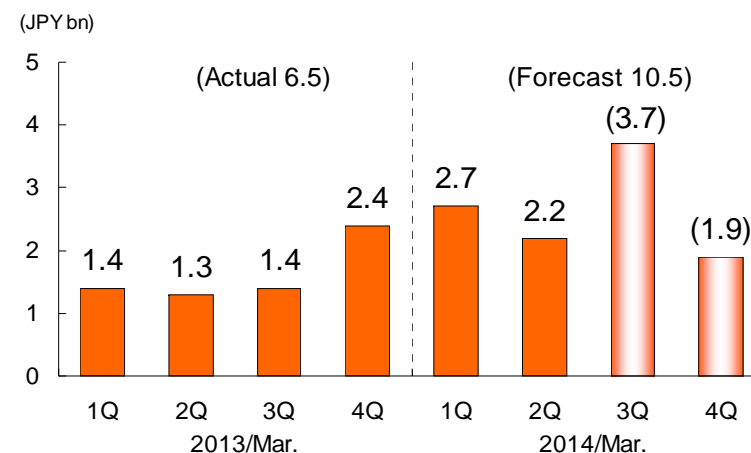
Class (PTO hp classification)		2012	2013	Growth rate
		Jan.-Oct.	Jan.-Oct.	
Compact	USA	81	89	111%
	Canada	10	12	114%
PTO (40hp or below)		91	101	111%
Utility	USA	45	48	106%
	Canada	6	5	98%
PTO (40hp or above, 100hp or below)		51	53	105%

Figures have been rounded and non-adjusted

2. ISEKI's Sales

Trend of shipment to OEM partner and orders received from the partner for Apr.-Jan. remained favorable regarding model changed machines and newly launched tractors, shifting higher than both previous year and the forecast.

Trend of product sales for North America (Quarterly)



Trends in Overseas Market (Europe)

1. Trends in European Market

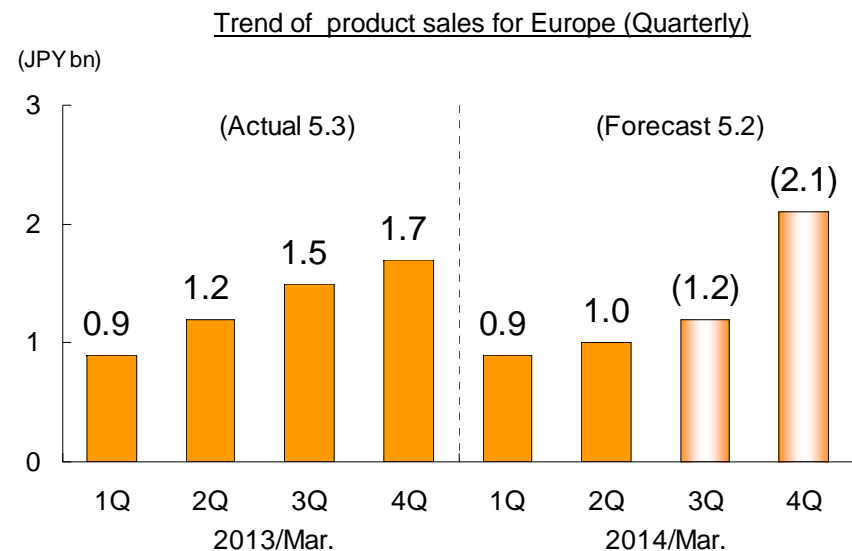
France remained unchanged from the previous year. In spite of recovery trend in Germany, expectation for the market growth is limited due to uncertain prospect for economic recovery in Euro zone.

2. ISEKI's Sales

- Cumulative sales by European agents for Jan.-Sep. shifted below the previous year.
- ISEKI's orders received until the third quarter shifted sluggish.



- Inventory adjustment in France was ended.
- Recovery by model changes, etc. ⇒ ISEKI's shipment (Annual): Level of the previous year



Trends in Overseas Markets (China)

1. Trend in Chinese Market

(billion of yuan)

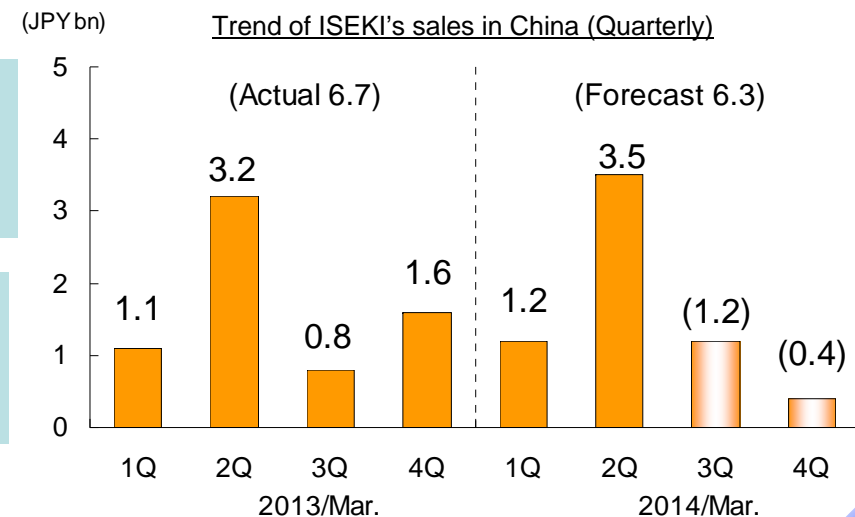
	2007	2008	2009	2010	2011	2012			2013	
						1 st Period	2 nd Period	Addition	1 st Period	2 nd Period
Central government subsidy	2.0	4.0	13.0	15.5	17.5	13.0	7.0	1.5	20.0	1.7
						21.5			21.7	

- Continuation of agricultural mechanization
- Changes in target crops/machine type
- Fraud preventive measures (Delayed announcement of the subsidy policy, direct payment to farmers, etc.)

2. ISEKI's Sales

While actual sales for Jan.-Sep. were higher than the previous year, they were behind the forecast.

Exploring of unattended subsidy demand.





3. Performance Forecast for the Fiscal Year Ending March, 2014



New Tractor TJX Series for domestic
77~97HP



Performance Forecast for FY14/Mar.

1. Performance Forecast for FY14/Mar.

(JPY bn)

Item	13/Mar.	14/Mar.		Change from	
		Previous Forecast*	Latest Forecast*	13/Mar.	Previous Forecast
Net Sales	155.7	163.0	163.0	7.3	0
(Domestic)	133.0	135.0	137.5	4.5	2.5
(Overseas)	22.7	28.0	25.5	2.8	(2.5)
Operating Income	5.1	5.5	5.5	0.4	0
Ordinary Income	5.4	5.0	5.0	(0.4)	0
Net Income	4.0	3.4	3.4	(0.6)	0

Company forex rate: 1US\$=¥95(Unchanged), 1Euro = ¥125(Unchanged)

* Previous forecast: Announced on May 13, Latest forecast: Announced on November 8

2. Year-End Dividend Forecast

	13/Mar.	14/Mar.(Forecast)
Year-End Dividend	3.0	3.0



Breakdown of Domestic Sales

(JPY bn)

	13/Mar.	14/Mar.		Change from	
		Previous Forecast *	Latest Forecast *	13/Mar.	Previous Forecast
Cultivating & Mowing Machinery	29.0	31.0	32.3	3.3	1.3
Planting Machinery	11.3	11.2	11.2	(0.1)	0
Harvesting & Processing Machinery	26.8	26.5	26.5	(0.3)	0
Agricultural Machinery Total	67.1	68.7	70.0	2.9	1.3
Parts & Farming Implements	32.1	31.8	33.1	1.0	1.3
Construction of Facilities	7.8	7.0	7.0	(0.8)	0
Other Agriculture Related	25.9	27.4	27.4	1.5	0
Agriculture Related Business Total	132.9	134.9	137.5	4.6	2.6
Other Business Total	0.1	0.1	0	(0.1)	(0.1)
Total	133.0	135.0	137.5	4.5	2.5

* Previous forecast: Announced on May 13, Latest forecast: Announced on November 8



Breakdown of Overseas Sales

(JPY bn)

	13/Mar.	14/Mar.		Change from	
		Previous forecast*	Latest forecast*	13/Mar.	Previous forecast
North America	6.5	10.0	10.5	4.0	0.5
Europe	5.3	6.3	5.2	(0.1)	(1.1)
China*	6.7	8.0	6.3	(0.4)	(1.7)
Other Asia	1.5	1.1	1.3	(0.2)	0.2
Oceania	0.5	0.8	0.5	0	(0.3)
Products Total	20.5	26.2	23.8	3.3	(2.4)
Parts & Others	2.2	1.8	1.7	(0.5)	(0.1)
Total	22.7	28.0	25.5	2.8	(2.5)

Company forex rate: 1US\$=¥95(Unchanged), 1Euro = ¥125 (Unchanged)

* Previous forecast: Announced on May 13, Latest forecast: Announced on November 8





4. Topics



Topics

1. Iseki Sales (Thailand) Co., Ltd. was established [October 7]
 - Establishment of a joint company with Mitsubishi Corporation in Thailand.
2. Plant building of PT. ISEKI INDONESIA was completed [End of October]
 - Making progress as scheduled toward start of production in January, 2014.
3. ISEKI Technical Training Center (ITTC) was opened [October 2]
 - Educational training center for skill inheritance and persons who contribute in domestic/overseas production bases.
4. Participation in the Agriculture Female Project (MAFF).
 - Support for issues of female farmers by agricultural machinery and cultivation technology.
5. Top ranked patent assessment ratio (2012)
 - Top rank in all industries (Top rank from 2004 to 2010, Second rank in 2011)



Development in Southeast Asia

Expansion of Thailand business Establishment of a new sales company

Positioning Southeast Asia as the 4th pillar in overseas

Establishment of sales company: Iseki Sales (Thailand) Co., Ltd.
(Established on Oct.7, 2013)

Business: Sales, etc. of ISEKI's agricultural machinery in Thailand

Capital: 210 million Baht (Approx. 650 million yen)

Investment ratio: Mitsubishi Corporation 80%, ISEKI & CO., LTD. 20%



Notes on the Future Forecast

- The objective of this presentation document is to provide information, and it is not intended to invite any action.
- The document has been prepared by ISEKI based on currently available information and it involves potential risks and uncertainties. The forecast may not be consistent with actual results depending on fluctuation of the economic situation and market trends.
- In using this information, investors are expected to depend on their own judgment. ISEKI is not liable for any losses incurred by investment decision made utilizing the business forecast or targets given in this document.



Increase food self sufficiency ratio 1% campaign which leads to relief in the future

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