



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

ISEKI & CO., LTD.
Susumu Tada, Executive Managing Director
February 14, 2014



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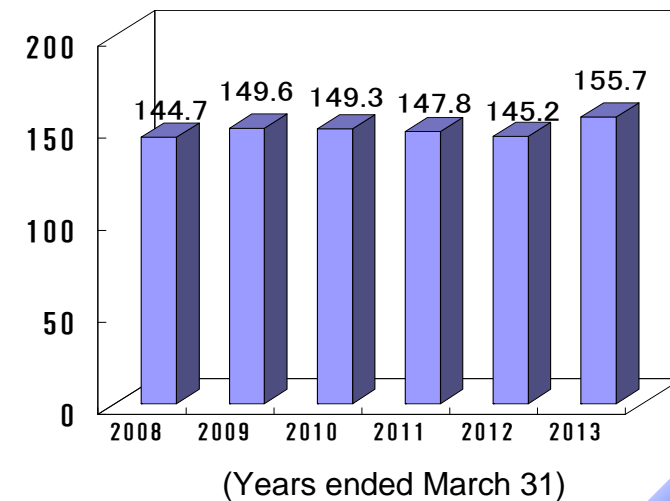
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1. Outline of Financial Results for the Third Quarter Fiscal Year Ending March, 2014

(Billions of yen) **NetSales**



Outline of Third Quarter Business Performance

(JPY bn, %)

Item	11/ Apr.-Dec.	12/ Apr.-Dec.		13/ Apr.-Dec.		Change	14/ Mar. Forecast *	Forecast progress rate
			%		%			
Net Sales	109.1	117.9	100.0	126.5	100.0	8.6	163.0	77.6
(Domestic)	93.8	102.4	86.9	108.0	85.4	5.6	137.5	78.5
(Overseas)	15.3	15.5	13.1	18.5	14.6	3.0	25.5	72.5
Gross Profit	34.8	37.2	31.6	38.5	30.5	1.3	-	-
S. G. & A. Expenses	31.0	31.7	26.9	32.6	25.8	0.9	-	-
Operating Income	3.8	5.5	4.7	5.9	4.7	0.4	5.5	107.5
Ordinary Income	3.4	5.5	4.7	7.1	5.6	1.6	5.0	141.0
Net Income	2.2	3.9	3.3	5.0	4.0	1.1	3.4	147.0

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

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

Cumulative total: Jan.-Sep.

Cumulative total: Apr.-Dec.

*14/Mar. Forecast: Forecast announced on May 13.

(Breakdown of Net Sales was reviewed on November 8.)



Breakdown of Domestic Sales

(JPY bn, %)

		11/ Apr.-Dec.	12/ Apr.-Dec.	13/ Apr.-Dec.	Change	Note	14/ Mar. Forecast *	Forecast progress rate	
Agriculture Related Business	Agricultural Machinery	Cultivating & Mowing Machinery	21.9	23.1	25.6	2.5	Tractors:+2.3	32.3	79.2
		Planting Machinery	8.7	9.3	9.0	(0.3)	Rice transplanters : (0.3)	11.2	80.6
		Harvesting & Processing Machinery	17.9	19.0	19.6	0.6	Combine harvesters:+0.8	26.5	74.1
	Total		48.5	51.4	54.2	2.8		70.0	77.5
	Parts & Farming Implements		23.4	24.5	27.3	2.8	Farming implements :+3.0 Parts:(0.2)	33.1	82.5
	Construction of Facilities		3.0	6.8	6.4	(0.4)		7.0	90.5
	Other Agriculture Related		18.8	19.6	20.1	0.5		27.4	73.3
	Total		93.7	102.3	108.0	5.7		137.5	78.5
	Other Business Total		0.1	0.1	0	(0.1)		0.0	0.0
	Total		93.8	102.4	108.0	5.6		137.5	78.5

*14/Mar.Forecast:Forecast announced on May 13
(Breakdown of Net Sales was reviewed on November 8)



Breakdown of Overseas Sales

	11/ Apr.-Dec.	12/ Apr.-Dec.	13/ Apr.-Dec.	Change	Note	(JPY bn, %)	
						14/ Mar. Forecast*	Forecast progress rate
North America	3.4	4.1	8.1	4.0	Tractors: +4.0	10.5	77.3
Europe	4.8	3.6	2.7	(0.9)	Tractors:(0.3) Lawn mowers:(0.6)	5.2	51.0
China*	5.2	5.1	5.4	0.3	Rice Transplanters : +0.3	6.3	85.3
Other Asia	0.2	0.9	0.8	(0.1)	Tractors: +0.1 Combine harvesters:(0.2)	1.3	62.1
Oceania	0.4	0.3	0.3	0		0.5	64.2
Products Total	14.0	14.0	17.3	3.3		23.8	72.6
Parts & Others	1.3	1.5	1.2	(0.3)		1.7	72.9
Total	15.3	15.5	18.5	3.0		25.5	72.5

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

*14/Mar. Forecast: Forecast announced on May 13.
(Breakdown of Net Sales was reviewed on November 8)



Operating Income

(JPY bn, %)

Item	11/ Apr.-Dec.	12/ Apr.-Dec.		13/ Apr.-Dec.		Change	14/ Mar. Forecast*	Forecast progress rate
			%		%			
Net Sales	109.1	117.9	100.0	126.5	100.0	8.6	163.0	77.6
Cost of G. S.	74.3	80.7	68.4	88.0	69.5	7.3	-	-
Gross Profit	34.8	37.2	31.6	38.5	30.5	1.3	-	-
S. G. & A. Expenses	31.0	31.7	26.9	32.6	25.8	0.9	-	-
Operating Income	3.8	5.5	4.7	5.9	4.7	0.4	5.5	107.5

* 14/ Mar. Forecast : Forecast announced on May 13.

[Operating income, Factors of YoY change]

▪ Increased gross income by increased revenue including foreign exchange	:+2.8
▪ Increased development and facility cost	:(1.0)
▪ Increased S.G.& A. expenses	:(0.9)
▪ Others	:(0.5)
	:+0.4

Ordinary Income and Net Income

(JPY bn, %)

	11/ Apr.-Dec.	12/ Apr.-Dec.	13/ Apr.-Dec.	Change	14/ Mar. Forecast *	Forecast progress rate
Operating Income	3.8	5.5	5.9	0.4	5.5	107.5
Net Financial Income	(0.7)	(0.6)	(0.6)	0	-	-
Other Non-operating Income	0.3	0.6	1.8	1.2	-	-
Ordinary Income	3.4	5.5	7.1	1.6	5.0	141.0
Extraordinary Gains	0.1	0.2	0.1	(0.1)	-	-
Extraordinary Losses	(0.4)	(0.3)	(0.2)	0.1	-	-
Income before Income Taxes	3.1	5.4	7.0	1.6	-	-
Taxes, Deferred Taxes	(0.9)	(1.5)	(2.0)	(0.5)	-	-
Net Income	2.2	3.9	5.0	1.1	3.4	147.0

* 14/ Mar. Forecast : Forecast announced on May 13.

[Ordinary Income, Factors of YoY change]

Operating Income	: +0.4
Other non-operating income	: +1.2 (Foreign exchange valuation gain or loss +0.9, Others+0.3)
	<u>: +1.6</u>

Balance Sheet

(JPY bn)

Item	11/Dec.	12/Dec.	13/Dec.	Change	13/Mar.
Cash/Deposits	11.2	10.9	12.9	2.0	9.3
Accounts Receivables	31.9	34.5	38.2	3.7	30.5
Inventories	39.7	41.5	43.9	2.4	42.7
(Product Inventory)	25.7	27.3	27.4	0.1	27.3
Other Current Assets	3.1	3.4	4.0	0.6	3.8
Noncurrent Assets	90.1	90.4	98.1	7.7	92.7
Total Assets	176.0	180.7	197.1	16.4	179.0
Accounts Payables	38.4	41.5	44.5	3.0	42.6
Debts/Bonds	54.1	49.5	52.8	3.3	41.7
Other Liabilities	26.1	28.1	31.3	3.2	31.8
(Total Liabilities)	118.6	119.1	128.6	9.5	116.1
Net Assets	57.4	61.6	68.5	6.9	62.9
(Retained Earnings)	7.3	11.4	15.8	4.4	11.5
Total Liabilities and Net Assets	176.0	180.7	197.1	16.4	179.0



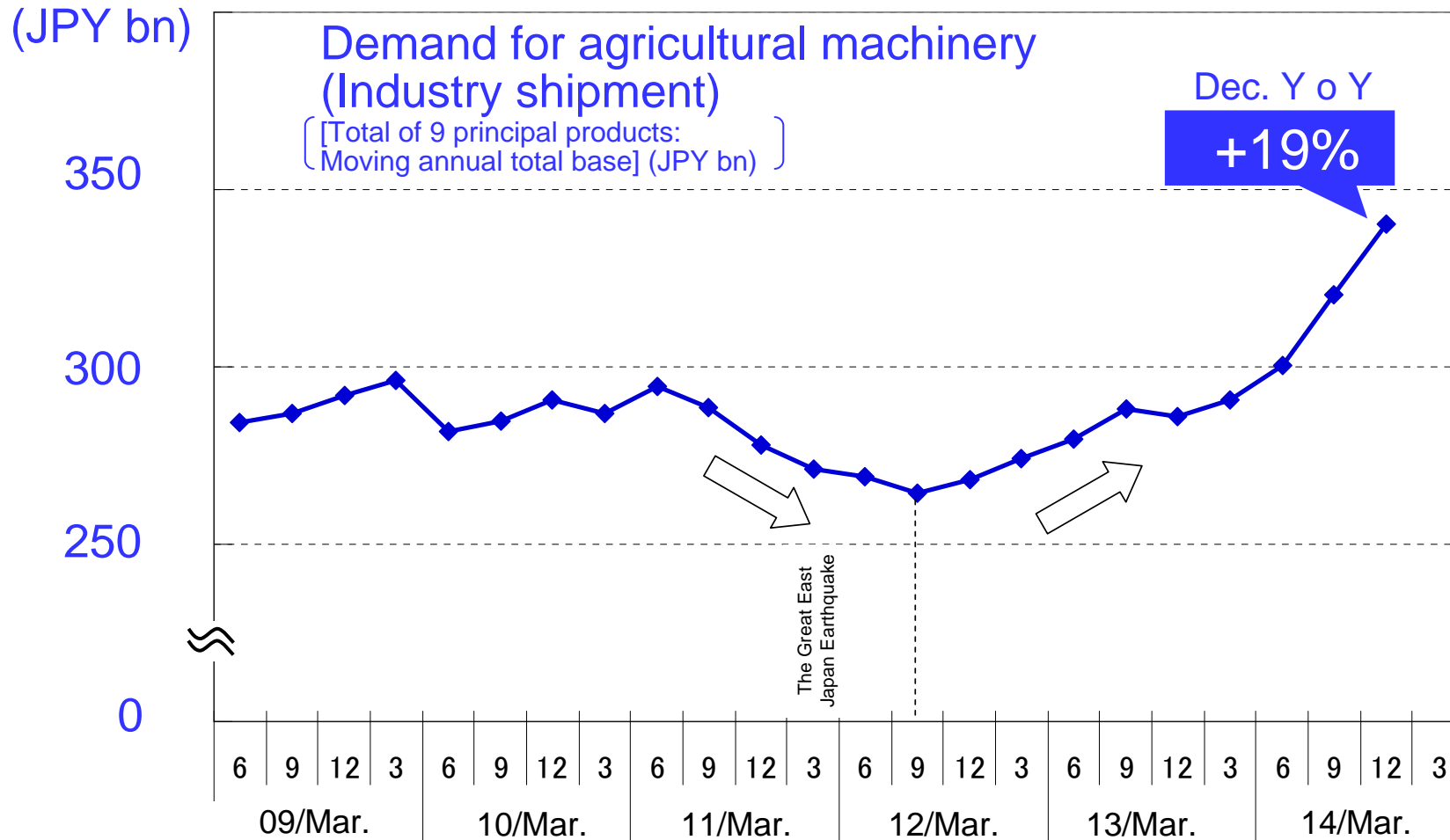
2.Recent Development in Domestic and Overseas Markets



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



Trends in Domestic Agricultural Machinery Market



[Demand]Shipping Statistics of Japan Farm Machinery Manufacturers Association



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)

(%)

	11/Mar.	12/Mar.	13/Mar.	13/Dec.
Industry (Shipment)	95	101	106	119
ISEKI (Effective sales)	96	103	104	108

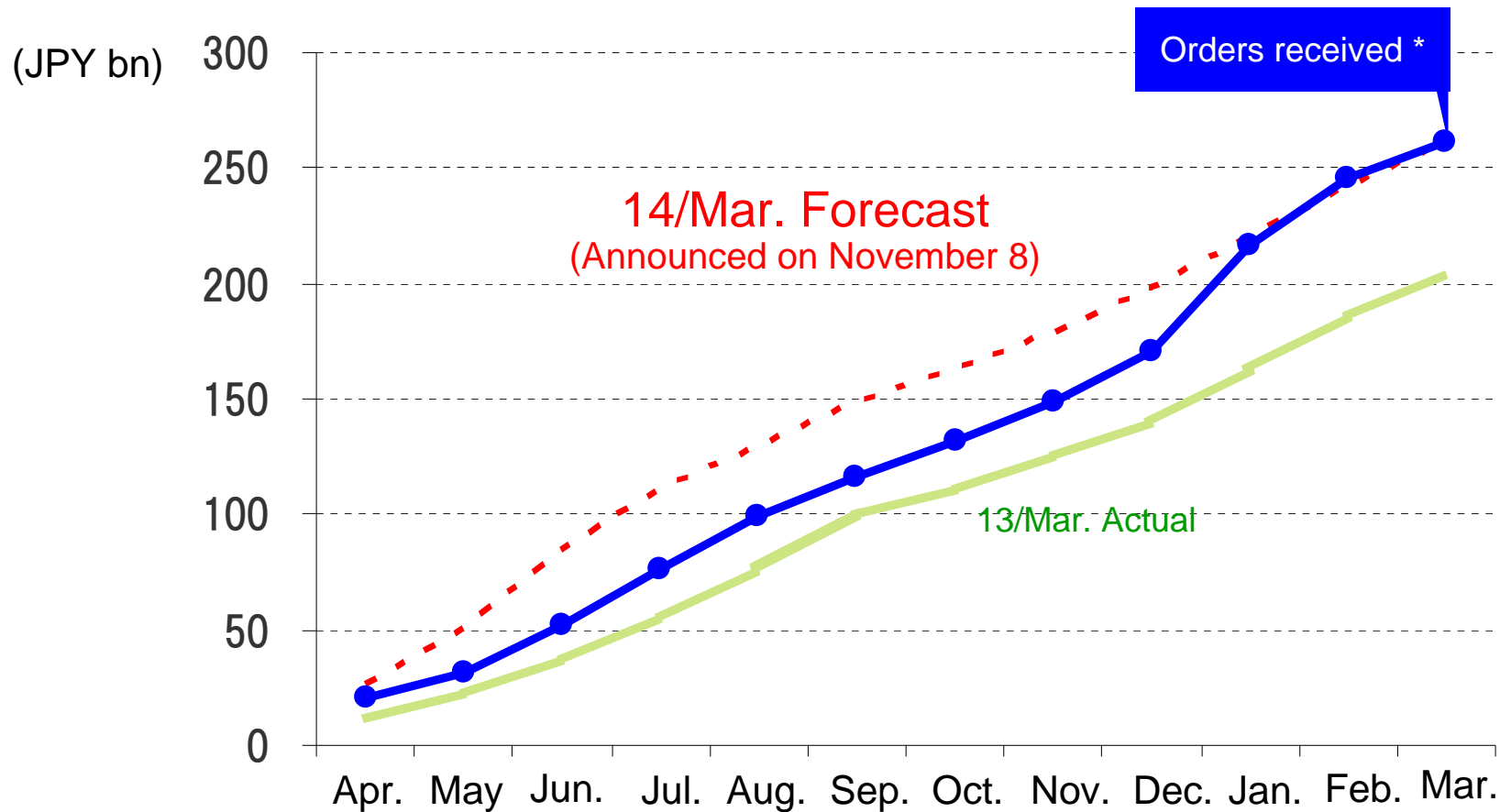
Immediate trend
(Latest 3 month cumulative)

Preceded Shipment

	13/ Oct.-Dec.
Industry (Amount of Shipment)	140
ISEKI (Amount of Shipment)	139



Recent Trend of Overseas Product Sales



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

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

China:

Actual sales for Jan.-Dec.



Trend in Overseas Market (North America)

1. Trend of Tractor Market in North America

Trend of economic recovery.
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.-Dec.	Jan.-Dec.	
Compact	USA	92	101	109%
	Canada	12	14	112%
PTO (40hp or below)		104	114	110%
Utility	USA	54	57	105%
	Canada	7	7	101%
PTO (40hp or above, 100hp or below)		61	64	105%

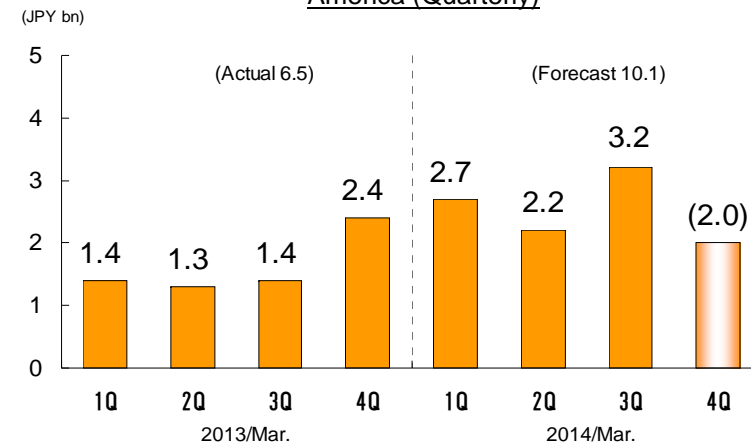
Figures have been rounded and non-adjusted

2. ISEKI's Sales

Trend of shipment to OEM partner and orders received from the partner for Apr.-Mar. remained favorable centering on utility tractors of which local sales started from this period.

→Sales have shifted exceeding previous year.

Trend of product sales for North America (Quarterly)



Trends in Overseas Market (Europe)

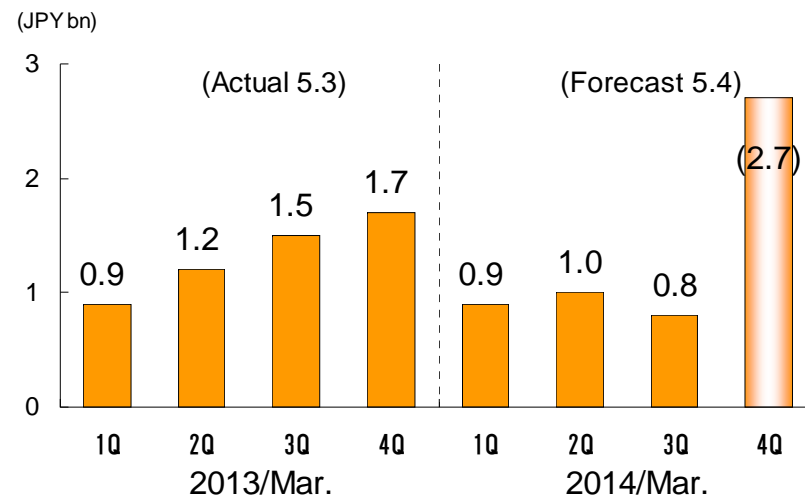
1. Trends in European Market

While Germany followed a recovery trend, France shifted unchanged from the previous year.

2. ISEKI's Sales

- Cumulative sales by European agents for Jan.-Dec. shifted below the previous year.
- ISEKI's orders received in the 4th quarter recovered.
→Prospect for the year will be in line with the previous year.

Trend of product sales for Europe (Quarterly)



Trends in Overseas Markets (China)

1. Trend in Chinese Market

(billion of yuan)

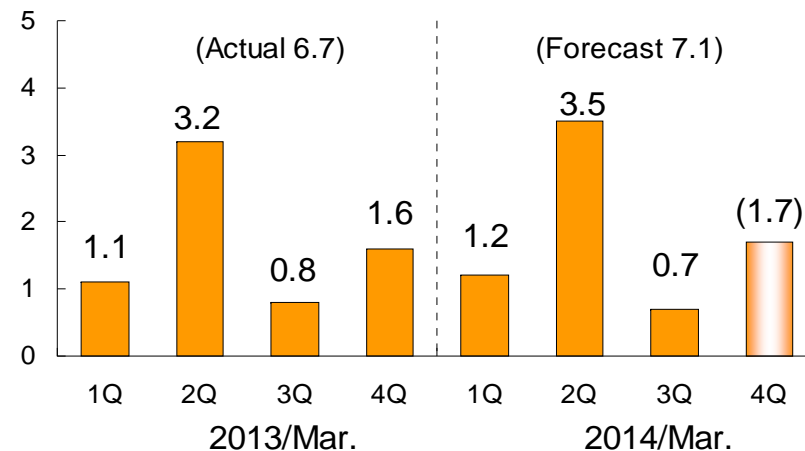
	2007	2008	2009	2010	2011	2012	2013
Central government subsidy	2.0	4.0	13.0	15.5	17.5	21.5	21.75

- Continuation of agricultural mechanization
- Changes in target crops/machine type
- Fraud preventive measures (Delayed announcement of the subsidy policy, direct payment to farmers, etc.)
- Low priced walking-type rice transplanters made by local makers.

2. ISEKI's Sales

- Tough sales promotion in the spring demand period.
- Annual sales will recover.
 - Prospect to exceed the previous year.

(JPY bn) Trend of ISEKI's sales in China (Quarterly)





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	170.0	14.3	7.0
(Domestic)	133.0	137.5	144.0	11.0	6.5
(Overseas)	22.7	25.5	26.0	3.3	0.5
Operating Income	5.1	5.5	6.7	1.6	1.2
Ordinary Income	5.4	5.0	7.6	2.2	2.6
Net Income	4.0	3.4	5.5	1.5	2.1

Company forex rate: 1US\$=¥95→¥102, 1Euro = ¥125 →¥140

* Previous forecast: Announced on May 13 (Breakdown of Net Sales was reviewed on November 8)

* Latest forecast: Announced on February 7

2. Year-End Dividend Forecast (Yen)

	13/Mar.	14/Mar.	
		Previous Forecast*	Latest Forecast*
Year-End Dividend	3.0	3.0	4.0

* Previous forecast : Announced on May 13, Latest forecast : Announced on February 7.



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	32.3	33.2	4.2	0.9
Planting Machinery	11.3	11.2	10.9	(0.4)	(0.3)
Harvesting & Processing Machinery	26.8	26.5	28.1	1.3	1.6
Agricultural Machinery Total	67.1	70.0	72.2	5.1	2.2
Parts & Farming Implements	32.1	33.1	36.0	3.9	2.9
Construction of Facilities	7.8	7.0	8.8	1.0	1.8
Other Agriculture Related	25.9	27.4	27.0	1.1	(0.4)
Agriculture Related Business Total	132.9	137.5	144.0	11.1	6.5
Other Business Total	0.1	0	0	(0.1)	0
Total	133.0	137.5	144.0	11.0	6.5

* Previous forecast: Announced on May 13 (Breakdown of Net Sales was reviewed on November 8)

* Latest forecast: Announced on February 7



Breakdown of Overseas Sales

(JPY bn)

	13/Mar.	14/Mar.		Change from	
		Previous forecast*	Latest forecast*	13/Mar.	Previous forecast
North America	6.5	10.5	10.1	3.6	(0.4)
Europe	5.3	5.2	5.4	0.1	0.2
China*	6.7	6.3	7.1	0.4	0.8
Other Asia	1.5	1.3	1.4	(0.1)	0.1
Oceania	0.5	0.5	0.5	0	0
Products Total	20.5	23.8	24.5	4.0	0.7
Parts & Others	2.2	1.7	1.5	(0.7)	(0.2)
Total	22.7	25.5	26.0	3.3	0.5

Company forex rate: 1US\$=¥95→¥102 ,1Euro = ¥125 → ¥140

* Previous forecast: Announced on May 13 (Breakdown of Net Sales was reviewed on November 8)

* Latest forecast: Announced on February 7





4. Topics



Topics

1. Indonesian factory Production started [January]
PT. ISEKI INDONESIA
Production of economy tractors for North America started.



2. Iseki Sales (Thailand) Co.,Ltd.
Full-fledged sales activity was started from this year.



3. Received an award for excellence in the R&D
Division of FOOD ACTION NIPPON AWARD
[December]

Awarded for 3 main machine types, tractors (2013), combine harvesters (2011) and rice transplanters (2010).



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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