



Financial Results for the
Fiscal Year Ended March 2014
Investor Relations Presentation Materials

ISEKI & CO., LTD.

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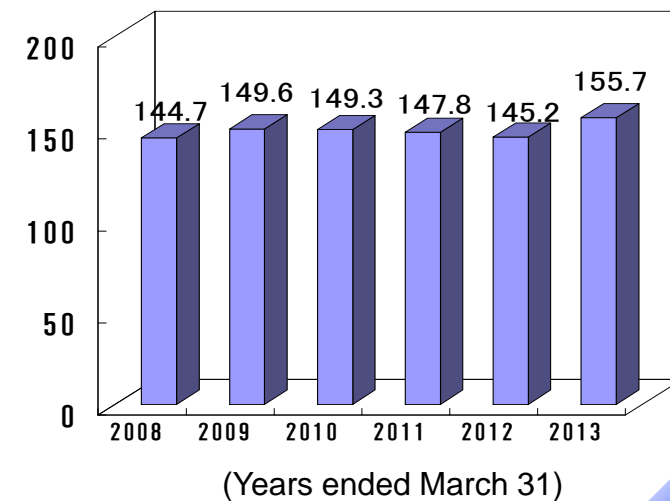
1. Outline of Financial Results for the Fiscal Year Ended March, 2014
2. Recent Development in Domestic and Overseas Markets
3. Performance Forecast for the Fiscal Year Ending March, 2015
4. Topics





1. Outline of Financial Results for the Fiscal Year Ended March, 2014

(Billions of yen) **NetSales**



Outline of Business Performance

(JPY bn, %)

Item	12/Mar.	13/Mar.		14/Mar.		Change	14/Mar. Forecast *	Change
			%		%			
Net Sales	145.2	155.7	100.0	169.1	100.0	13.4	170.0	(0.9)
(Domestic)	123.8	133.0	85.5	142.9	84.5	9.9	144.0	(1.1)
(Overseas)	21.4	22.7	14.5	26.2	15.5	3.5	26.0	0.2
Gross Profit	46.4	48.1	30.9	52.7	31.2	4.6	52.1	0.6
S. G. & A. Expenses	42.2	43.0	27.6	45.3	26.8	2.3	45.4	(0.1)
Operating Income	4.2	5.1	3.3	7.4	4.4	2.3	6.7	0.7
Ordinary Income	3.9	5.4	3.5	8.3	4.9	2.9	7.6	0.7
Net Income	2.7	4.0	2.6	6.4	3.8	2.4	5.5	0.9

*14/Mar. Forecast: Forecast announced on February 7.

- 14/Mar. Average actual forex rate: 1US\$=¥98, 1Euro=¥133



Breakdown of Domestic Sales

(JPY bn, %)

		12/Mar.	13/Mar.	14/Mar.	Change	Note	14/Mar. Forecast *	Change	
Agriculture Related Business	Agricultural Machinery	Cultivating & Mowing Machinery	27.5	29.0	33.3	4.3	Tractors: +4.0 Others: +0.3	33.2	0.1
		Planting Machinery	10.4	11.3	10.9	(0.4)	Rice transplanters: (0.4)	10.9	0
		Harvesting & Processing Machinery	25.9	26.8	28.3	1.5	Combine harvesters: +1.7 Others: (0.2)	28.1	0.2
		Total	63.8	67.1	72.5	5.4		72.2	0.3
		Farming Implements	16.4	17.5	21.6	4.1		21.3	0.3
		Parts	14.0	14.6	14.5	(0.1)		14.7	(0.2)
		Construction of Facilities	4.7	7.8	7.7	(0.1)		8.8	(1.1)
		Other Agriculture Related	24.8	25.9	26.6	0.7	Other agricultural machinery: +0.4 Others: +0.3	27.0	(0.4)
		Total	123.7	132.9	142.9	10.0		144.0	(1.1)
		Other Business Total	0.1	0.1	0	(0.1)		0.0	0.0
	Total	123.8	133.0	142.9	9.9		144.0	(1.1)	

*14/Mar. Forecast: Forecast announced on February 7.



Breakdown of Overseas Sales

(JPY bn)

	12/Mar.	13/Mar.	14/Mar.	Change	Note	14/Mar. Forecast*	Change
North America	5.3	6.5	10.1	3.6	Tractors: +3.6	10.1	0
Europe	7.2	5.3	5.2	(0.1)	Tractors:0.2 Lawn mowers:(0.3)	5.4	(0.2)
China*	5.7	6.7	7.0	0.3	Rice Transplanters : +0.6 Combine harvesters:(0.3)	7.1	(0.1)
Other Asia	0.9	1.5	1.5	0	Tractors: +0.3 Combine harvesters:(0.3)	1.4	0.1
Oceania	0.4	0.5	0.6	0.1	Tractors: +0.1	0.5	0.1
Products Total	19.5	20.5	24.4	3.9		24.5	(0.1)
Parts & Others	1.9	2.2	1.8	(0.4)		1.5	0.3
Total	21.4	22.7	26.2	3.5		26.0	0.2

*14/Mar. Forecast: Forecast announced on February 7.

* Sales in China are actual results from Jan.-Dec.2013.



Operating Income

(JPY bn, %)

Item	12/Mar.	13/Mar.		14/Mar.		Change	14/Mar. Forecast*	Change
			%		%			
Net Sales	145.2	155.7	100.0	169.1	100.0	13.4	170.0	(0.9)
Cost of G. S.	98.8	107.6	69.1	116.4	68.8	8.8	117.9	(1.5)
Gross Profit	46.4	48.1	30.9	52.7	31.2	4.6	52.1	0.6
S. G. & A. Expenses	42.2	43.0	27.6	45.3	26.8	2.3	45.4	(0.1)
Operating Income	4.2	5.1	3.3	7.4	4.4	2.3	6.7	0.7

*14/Mar. Forecast: Forecast announced on February 7.

[Operating income, Factors of YoY change]

▪ Increased gross income by increased revenue	:+5.7
▪ Increased development and facility cost	:(0.8)
▪ Increased S.G.& A. expenses	:(2.3)
▪ Others	:(0.3)
	:+2.3

Ordinary Income and Net Income

(JPY bn, %)

	12/Mar.	13/Mar.	14/Mar.	Change	14/Mar. Forecast *	Change
Operating Income	4.2	5.1	7.4	2.3	6.7	0.7
Net Financial Income	(0.8)	(0.7)	(0.8)	(0.1)	(0.7)	(0.1)
Other Non-operating Income	0.5	1.0	1.7	0.7	1.6	0.1
Ordinary Income	3.9	5.4	8.3	2.9	7.6	0.7
Extraordinary Gains	0.3	0.4	0.1	(0.3)	0.1	0
Extraordinary Losses	(0.5)	(0.3)	(0.5)	(0.2)	(0.3)	(0.2)
Income before Income Taxes	3.7	5.5	7.9	2.4	7.4	0.5
Taxes, Deferred Taxes	(1.0)	(1.5)	(1.5)	0	(1.9)	0.4
Net Income	2.7	4.0	6.4	2.4	5.5	0.9

*14/Mar. Forecast: Forecast announced on February 7.

[Ordinary Income, Factors of YoY change]

Operating Income	: +2.3
Other non-operating income	: +0.6 (Foreign exchange valuation gain or loss +0.6, Others±0)
	<u>: +2.9</u>

Balance Sheet

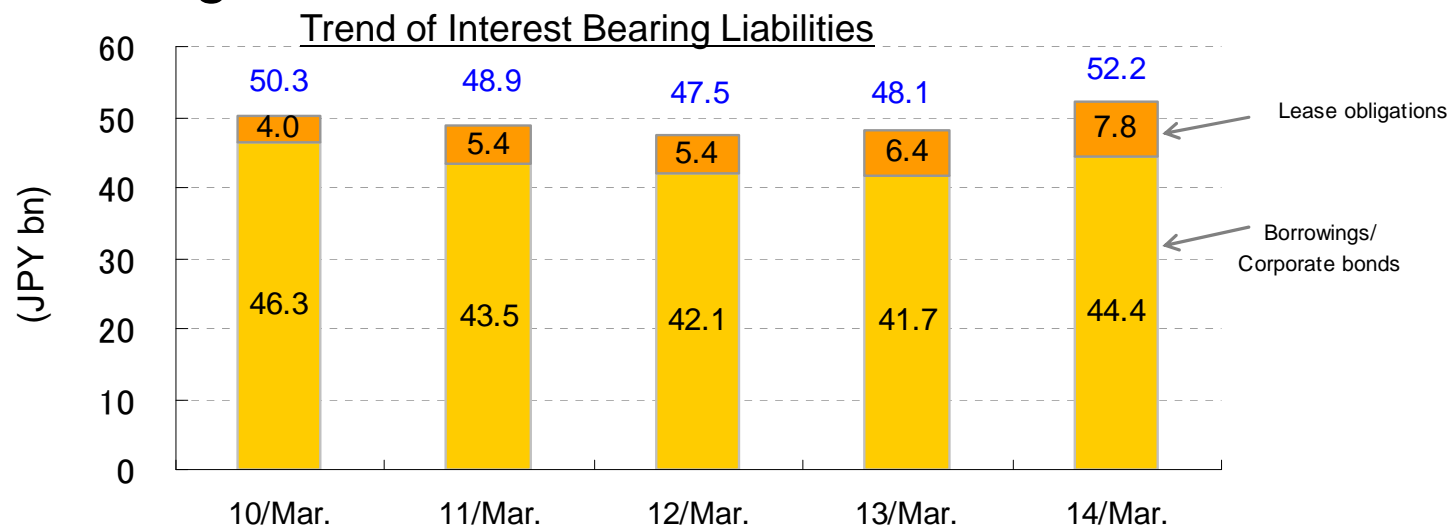
(JPY bn, %)

Item	12/Mar.	13/Mar.	14/Mar.	Change
Cash/Deposits	7.1	9.3	8.2	(1.1)
Accounts Receivables	28.7	30.5	41.6	11.1
Inventories	42.8	42.7	43.3	0.6
(Product Inventory)	28.1	27.3	26.1	(1.2)
Other Current Assets	4.3	3.8	4.6	0.8
Noncurrent Assets	89.7	92.7	99.9	7.2
Total Assets	172.6	179.0	197.6	18.6
Accounts Payables	43.7	42.6	47.5	4.9
Debts/Bonds	42.1	41.7	44.4	2.7
Other Liabilities	28.6	31.8	37.0	5.2
(Total Liabilities)	114.4	116.1	128.9	12.8
Net Assets	58.2	62.9	68.7	5.8
(Retained Earnings)	7.9	11.5	17.2	5.7
Total Liabilities and Net Assets	172.6	179.0	197.6	18.6



Interest Bearing Liabilities and Anticipated Dividend

1. Interest Bearing Liabilities



D/E ratio (Times)	0.91	0.89	0.82	0.76	0.76
Equity Ratio (%)	31.6%	31.4%	32.9%	34.3%	34.0%

Interest bearing liabilities (billion yen)	50.3	48.9	47.5	48.1	52.2
Net assets (billion yen)	55.6	54.6	58.2	62.9	68.7

2. Anticipated Dividend

	10/Mar.	11/Mar.	12/Mar.	13/Mar.	14/Mar.
Year-end Dividend (yen)	0	0	1.5	3.0	(Plan) 4.0





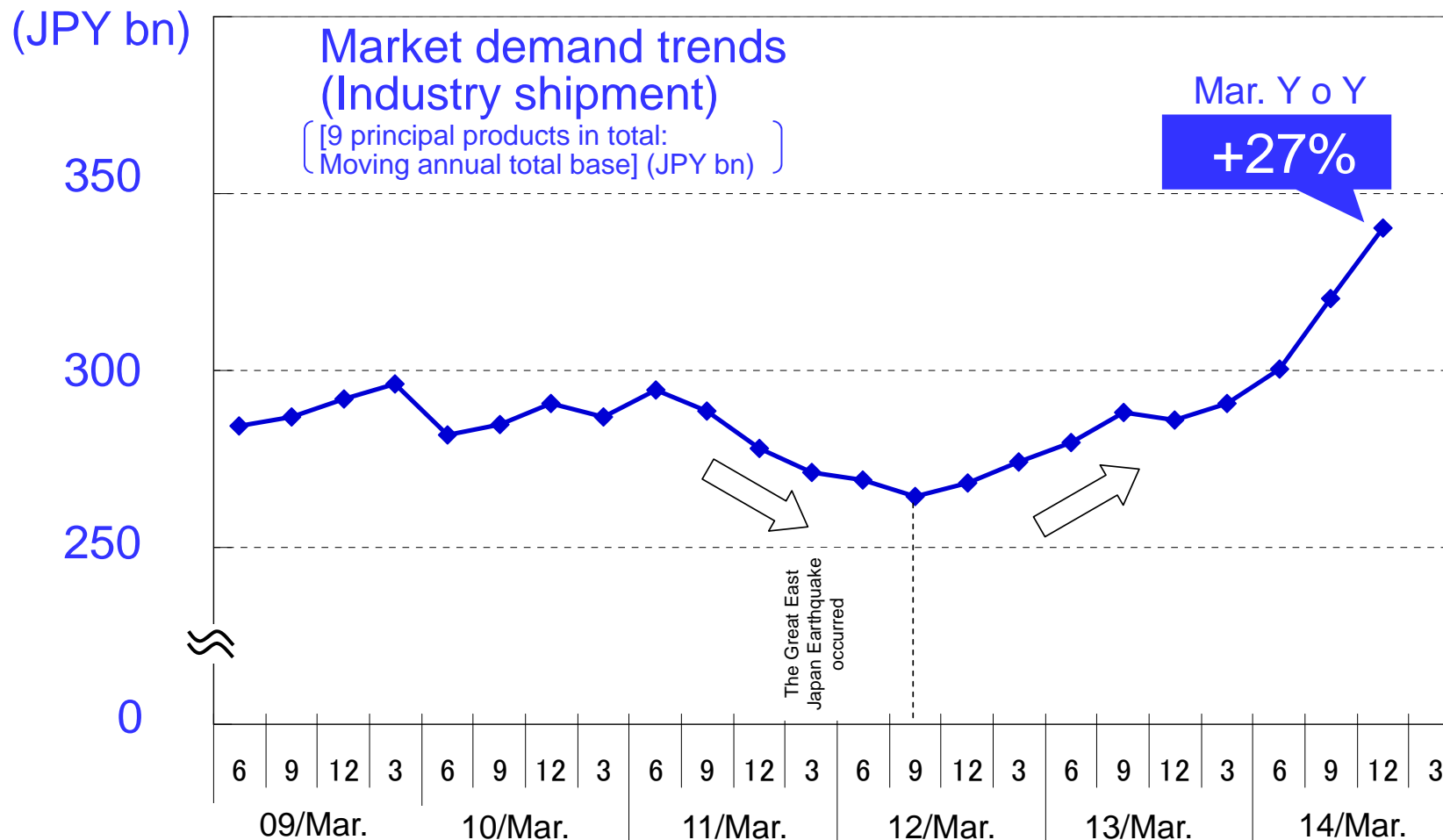
2.Recent Development in Domestic and Overseas Markets



Big Tractor
New Type BIG-T Series



Trends in Domestic Agricultural Machinery Market



[Source] Statistics from JFMMA

Domestic agricultural machinery shipment and effective sales of ISEKI

Y o Y growth rate (Total amount of 9 principal products base)

<Amount, Moving annual total> (%)

		12/Mar.	13/Mar.	14/Mar.
Market	Shipment	101	106	127
ISEKI	Sales	103	104	117



Our approach

Response to trends for large-scale/professional farming and full utilization of farm lands

- Research & Development for large machinery
- Sales-after service enhancement for large machinery
- Solution-oriented operations

Project "Supporting the full of dreams farming industry"

Established an organization in ISEKI

[Proposal of cropping techniques and knowledge]

- Low cost & labor-saving cropping techniques and knowledge
- Crop production management



Project "Supporting Agri-Heroes"

- ▶ Nation wide campaign [Proposal of cropping techniques and knowledge]
- ▶ [Proposal of management techniques and knowledge]
 - Machinery information/operation control system
 - Cloud system for agribusiness management



Our approach

Agri Heroes support projects

- Nation-wide campaign at Iseki sales companies
- Develop human resources in ISEKI Group
 Enhance abilities to make proposal for better farm management
 [Proposal of cropping techniques and knowledge]
 - Proposal of soil preparation
 - Proposal of Low cost/labor-saving farm management and rice crop diversion
 - Crop production management system
 ICT utilization

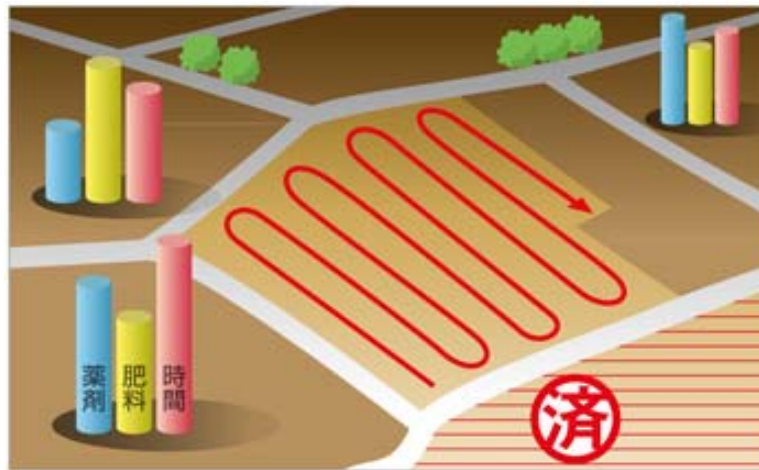


Our approach

[Proposal of management techniques and knowledge]

Machinery information/operation control system

“ISEKI Agri-support”



Support for efficient operations and less production costs

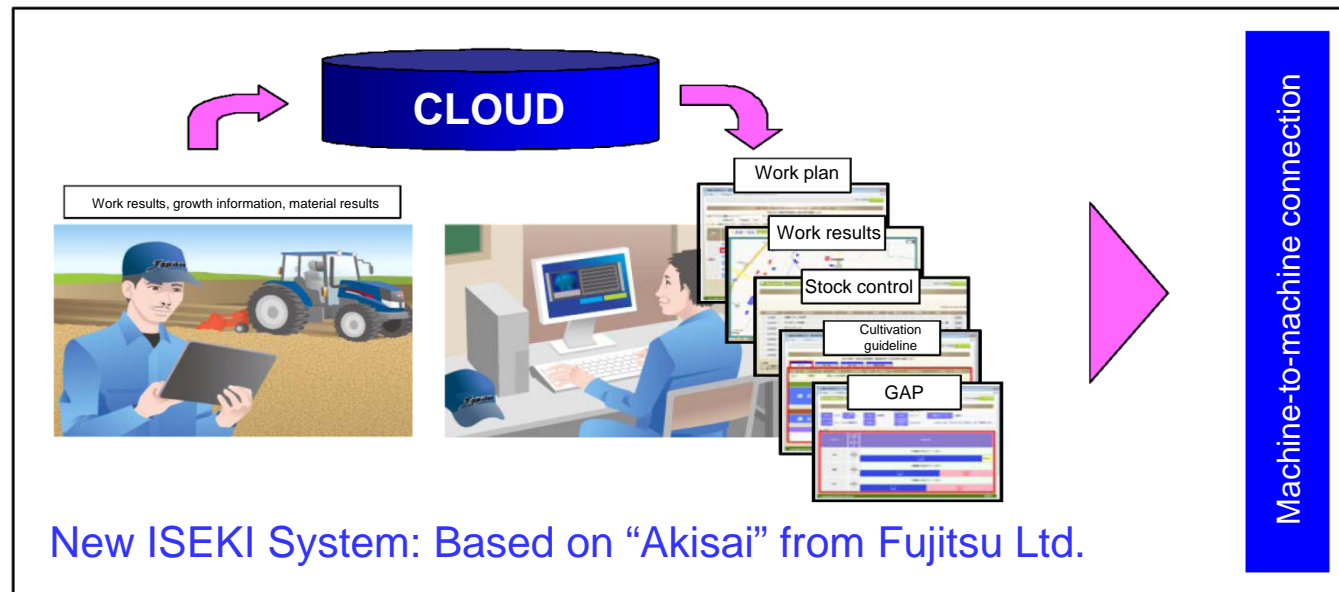


Our approach

[Proposal of management techniques and knowledge]

Agribusiness management/Cloud system

Collaboration with Fujitsu Ltd.

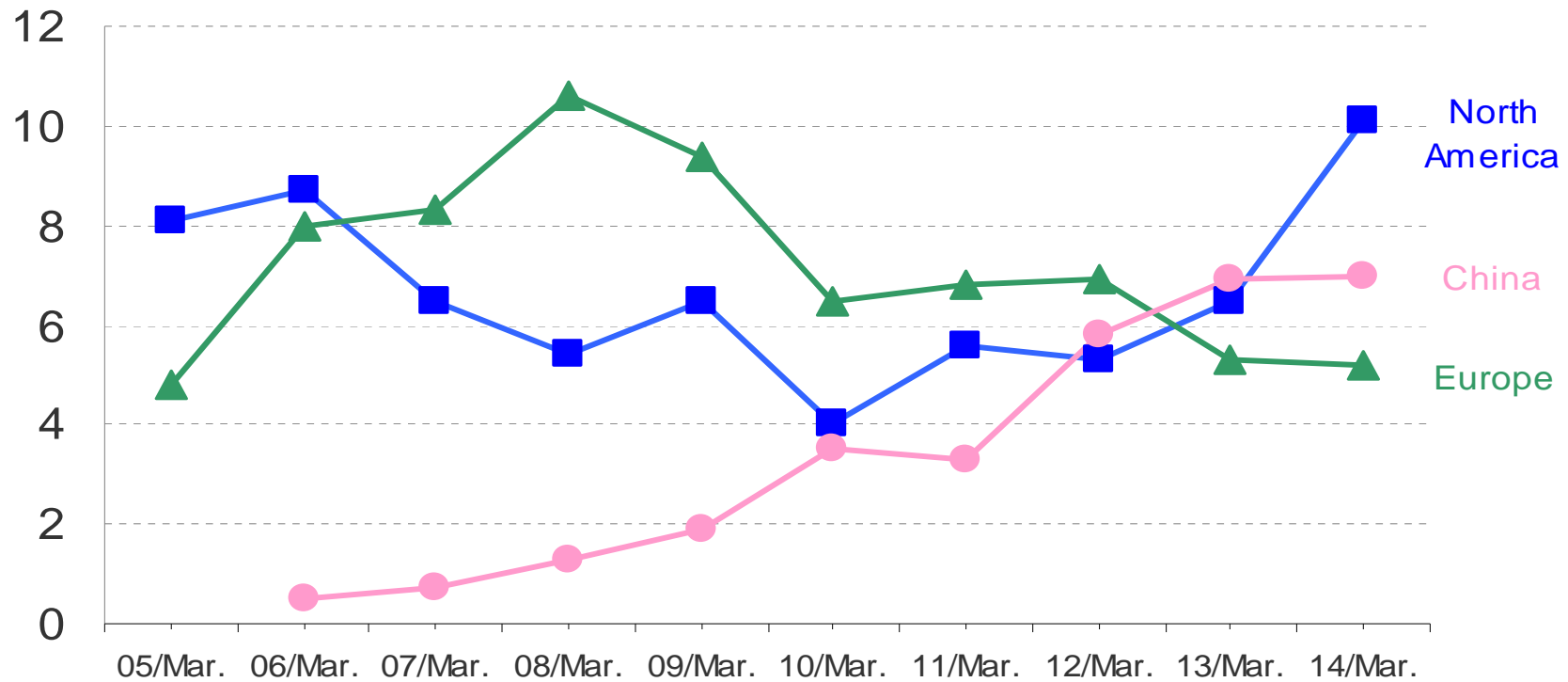


Support large-scale farming



Trend of Regional Sales of Overseas Products

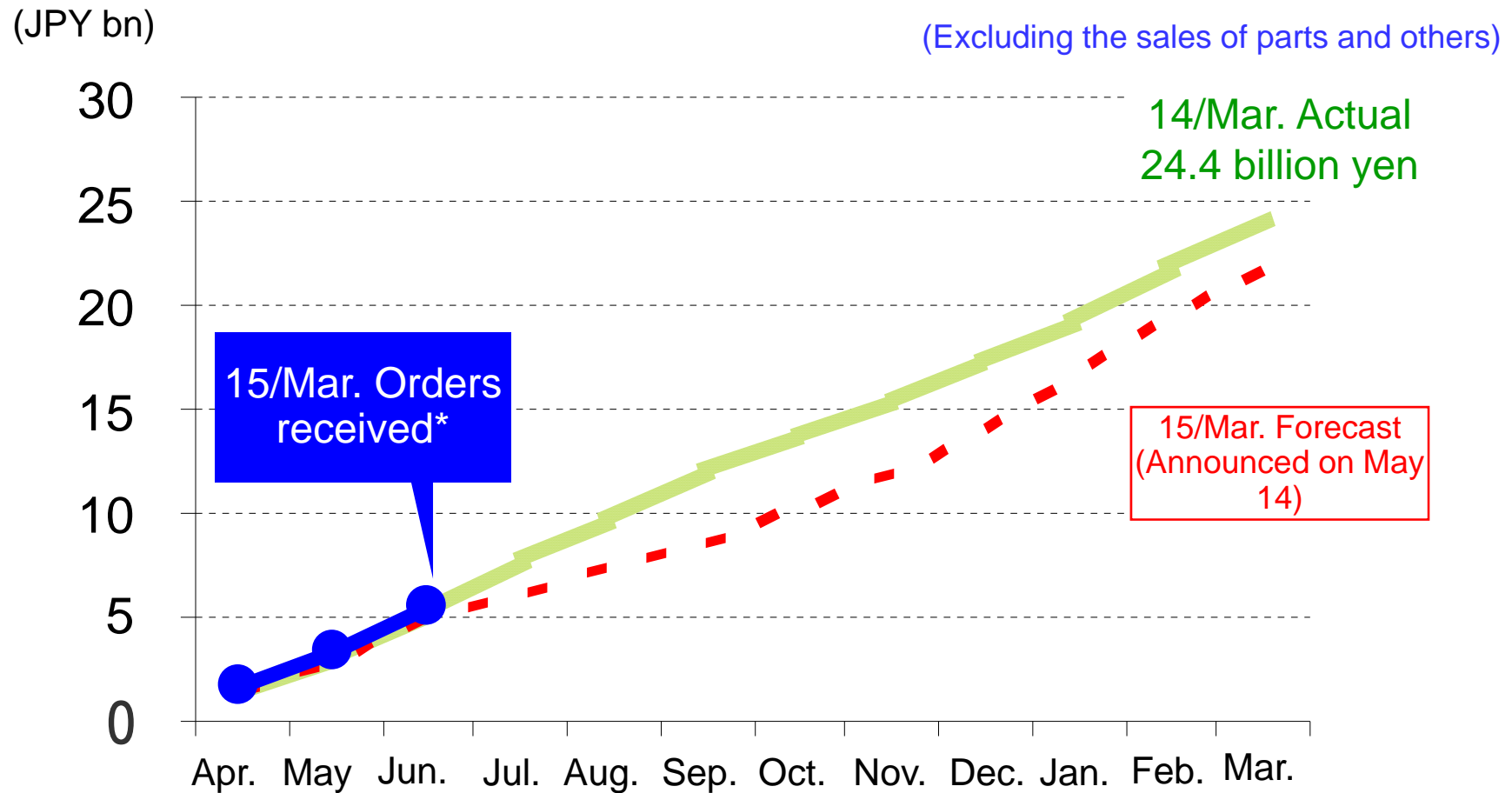
(JPY bn)



(Excluding the sales of "parts and others")



Recent Market Trend in Overseas



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

North America, Europe, Asia except China, Oceania: Apr. is based on result of shipping.
May-Jun. is based on orders received.
Actual sales for Jan.-Mar.

China:



Market Trend (North America)

1. Trend of Tractor Market in North America

(Unit: 1000)

Category		2012	2013	Growth rate	2013	2014	Growth rate
					Jan.-Apr.	Jan.-Apr.	
Compact Tractors PTO (40hp or below)	USA	92	101	109%	29	31	108%
	Canada	12	14	112%	3	3	100%
		104	114	110%	32	34	108%
Utility Tractors PTO (40hp or above, 100hp or below)	USA	54	57	105%	16	17	104%
	Canada	7	7	101%	2	2	104%
		61	64	105%	18	19	104%

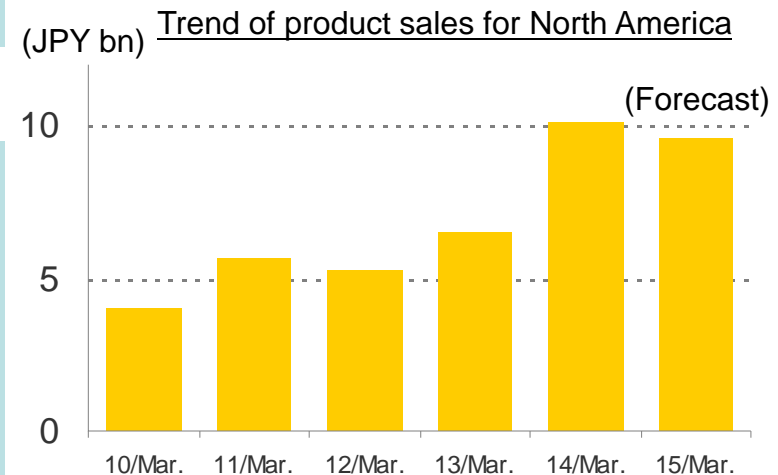
2. Result of Our OEM partner

- The sales of both compact and utility tractors from Jan.-Apr. shifted higher than those of market trend.

Figures have been rounded and non-adjusted
Source: AEM statistics :(Association of Equipment Manufacturers)

3. Our situation

- Sales in FY15/Mar. are to be declined;
Utility: Distributed to dealers
Compact: Rolling out economy tractors
- Orders from our OEM partner is in line with the plan, Shipment from us as well.



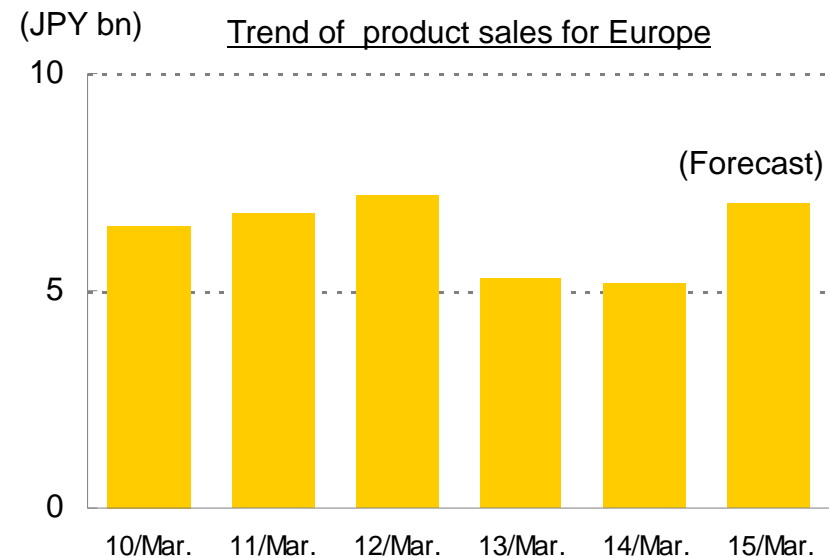
Market Trend (Europe)

1. Outline

While France showed a recovery trend, Germany shifted below the previous year due to warm winter.

2. Our Situation

- Sales of our distributors from Jan.-Mar. shifted at 105% compared with the previous year.
Orders from Distributors exceeding our plan/ those in prev. year
Shipment from us as well.



Market Trend (China)

1. Trend in Chinese Market

■ Central government subsidy (billion of yuan)

2007	2008	2009	2010	2011	2012	2013	2014	
2.0	4.0	13.0	15.5	17.5	21.5	21.75	17.0	
							1st period	17.0
							total	

■ 5-year plan for agricultural mechanization (2011-2015) for

	2010	2015	2020
Main crops total	52.3%	60%	-
Paddy rice transplanting	20.9%	35%	60%
Paddy rice harvesting	64.5%	80%	85%
Rape seed harvesting	10.7%	18%	-
Corn	25.8%	45%	-

2. Our Situation

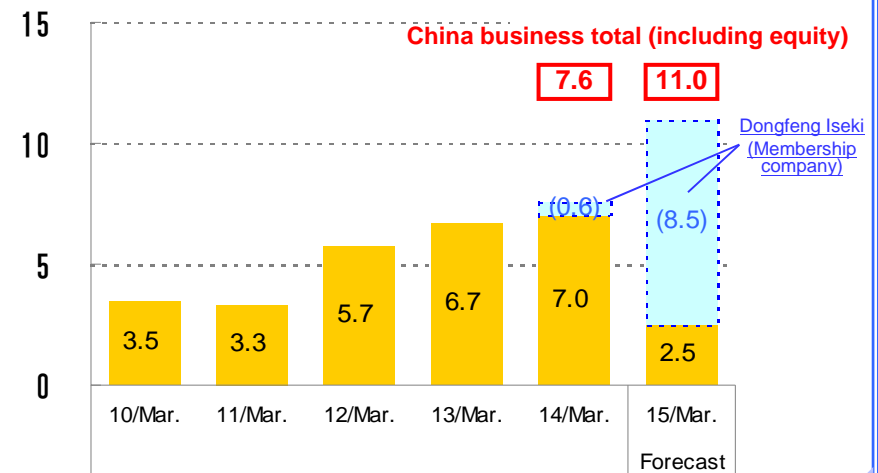
- Tough sales in the spring season (Jan.-Mar.).

- Reinforcing business relationship with Dongfeng Industrial Co., Ltd.
Business integration of Iseki-Changzhou Mfg. Co., Ltd. and Dongfeng Iseki Agricultural Machinery (Hubei) Co., Ltd.

⇒ New DONGFENG ISEKI (Non-consolidated)

- Full-fledged sales of general-purpose combine harvesters
- Full-fledged sales of high clearance utility vehicles

Trend of our sales in China



Deployment in ASEAN

Our next strategic region

Indonesia

Establishment of production/sales company (Founded on October 30, 2012)

PT. ISEKI INDONESIA

- : Manufacture Economy tractors (Europe, USA, Southeast Asia)
- Production for North America started in January 2014



Thailand

Establishment of sales company (Founded on Oct. 7, 2013)

- : Iseki Sales (Thailand) Co., Ltd
- : Sales started in January 2014





3. Performance Forecast for the Fiscal Year Ending March, 2015



Big Combine Harvester
New Model HJ Series



Performance Forecast for FY15/Mar.

1. Performance Forecast for FY15/Mar.

(JPY bn)

Item	13/Mar.		14/Mar.		15/Mar.		Change from	
		%		%	Forecast *	%	13/Mar.	14/Mar.
Net Sales	155.7	100.0	169.1	100.0	165.0	100.0	9.3	(4.1)
(Domestic)	133.0	85.5	142.9	84.5	142.0	86.1	9.0	(0.9)
(Overseas)	22.7	14.5	26.2	15.5	23.0	13.9	0.3	(3.2)
Operating Income	5.1	3.3	7.4	4.4	5.5	3.3	0.4	(1.9)
Ordinary Income	5.4	3.5	8.3	4.9	5.1	3.1	(0.3)	(3.2)
Net Income	4.0	2.6	6.4	3.8	2.6	1.6	(1.4)	(3.8)

Company forex rate: 1US\$=¥101, 1Euro = ¥140

* Forecast announced on May 14.

2. Year-End Dividend Forecast

(Yen)

	13/Mar.	14/Mar. Planned	15/Mar. Planned
Year-End Dividend	3.0	4.0	3.0-4.0





4. Topics



Intellectual Property Right

1. Patent allowance rate in all industries

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Patent allowance rate	84.6%	83.7%	90.4%	89.3%	85.8%	88.5%	91.8%	91.8%	94.7%	97.0%
Rank in all industries	First	First	First	First	First	First	First	Second	First	First

* Patent allowance rate=Number of decision to grant patent/Number of decision to grant patent+ Number of decision of refusal+ Number of withdrawal/ Abandonment)

2. Open patents per specialty field

Ranked 1st for 13 years running

Sector	Agriculture and fishery							*The other special machinery					
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Rank	First	First	First	First	First	First	First	First	First	First	First	First	First

* Since the 2009 edition, the sector classification has been changed, and agriculture and fisheries were included in [the other special machinery sector]

Source: 2002-2014 Annual Report on Patent Policy



Topics

Received Development Special Award of the Japanese
Society of Agricultural Machinery and Food Engineers
<Tractor NTA>

Awarded following the FOOD ACTION NIPPON
AWARD 2013 (MAFF)



GEAS NTA Series



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

FOOD ACTION NIPPON

ISEKI group is partner of FOOD ACTION NIPPON.

