

Financial Results for the Third Quarter
Fiscal Year Ending March 2015
Investor Relations Presentation Materials

ISEKI & CO., LTD.

Susumu Tada, Executive Managing Director

February 13, 2015

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* Points of Attention of Our Quarterly Financial Results

Fiscal term of each consolidated company

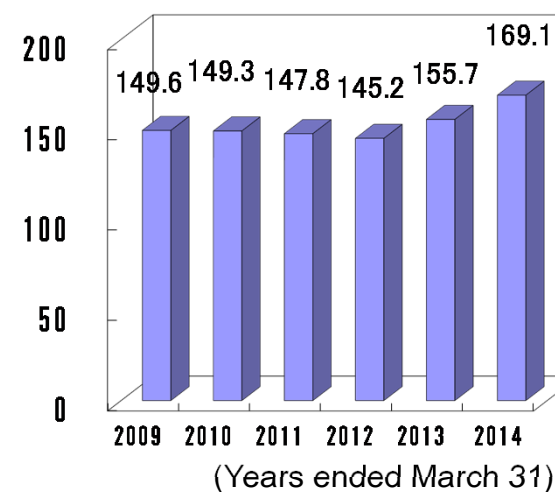
	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
a Domestic sales companies: 12 Sales affiliated company: 1 Manufacturing subsidiary in Indonesia, Sales subsidiary in France: 2*	1 st Quarter			2 nd Quarter			3 rd Quarter			4 th Quarter					
b ISEKI & CO., LTD. Manufacturing/parts related: 7 Other consolidated subsidiaries: 3				1 st Quarter			2 nd Quarter			3 rd Quarter			4 th Quarter		
Consolidated Settlement				1st Quarter a Jan. - Mar. b Apr. - Jun.			2nd Quarter a Apr. - Jun. b Jul. - Sep.			3rd Quarter a Jul. - Sep. b Oct. - Dec.			4th Quarter a Oct. - Dec. b Jan. - Mar.		

*September settlement



1. Outline of Financial Results for the Third Quarter Fiscal Year Ending March, 2015

(Billions of yen) **Net Sales**



Outline of Third Quarter Business Performance

(JPY bn, %)

Item	Apr. - Dec. 2012	Apr. - Dec. 2013		Apr. - Dec. 2014		Change	Apr. - Dec. 2014 Plan*	Change
			%		%			
Net Sales	117.9	126.5	100.0	118.5	100.0	(8.0)	117.0	1.5
(Domestic)	102.4	108.0	85.4	101.8	85.9	(6.2)	101.7	0.1
(Overseas)	15.5	18.5	15.6	16.7	14.1	(1.8)	15.3	1.4
Gross Profit	37.2	38.5	30.5	34.7	29.3	(3.8)	35.4	(0.7)
S. G. & A. Expenses	31.7	32.6	25.8	33.9	28.6	1.3	33.3	0.6
Operating Income	5.5	5.9	4.7	0.8	0.7	(5.1)	2.1	(1.3)
Ordinary Income	5.5	7.1	5.6	2.1	1.8	(5.0)	2.2	(0.1)
Net Income	3.9	5.0	4.0	1.4	1.2	(3.6)	1.7	(0.3)

*Note: Domestic sales companies, etc.
ISEKI/Domestic manufacturing companies, etc. .

Cumulative total: Jan.-Sep.
Cumulative total: Apr.-Dec.



Breakdown of Domestic Sales

(JPY bn, %)

		Apr. - Dec. 2012	Apr. - Dec. 2013	Apr. - Dec. 2014	Change		Apr. - Dec. 2014 Plan	Change	
						Note			
Agriculture Related Business	Agricultural Machinery	Cultivating & Mowing Machinery	23.1	25.6	24.6	(1.0)	Tractors: (0.7)	24.5	0.1
		Planting Machinery	9.3	9.0	8.0	(1.0)	Rice transplanters: (1.0)	8.0	0
		Harvesting & Processing Machinery	19.0	19.6	17.1	(2.5)	Combine harvesters: (1.8)	17.1	0
		Total	51.4	54.2	49.7	(4.5)		49.6	0.1
		Farming Implements	13.5	16.5	15.1	(1.4)		15.1	0
		Parts	11.0	10.8	11.1	0.3		11.1	0
		Construction of Facilities	6.8	6.4	5.5	(0.9)		5.5	0
		Other Agriculture Related	19.6	20.1	20.4	0.3		20.4	0
		Total	102.3	108.0	101.8	(6.2)		101.7	0.1
		Other Business Total	0.1	0.0	0.0	0		0.0	0
	Total	102.4	108.0	101.8	(6.2)		101.7	0.1	



Breakdown of Overseas Sales

(JPY bn)

	Apr. - Sep. 2012	Apr. - Sep. 2013	Apr. - Sep. 2014	Change		Apr. - Sep. 2014 Plan	Change
					Note		
North America	4.1	8.1	7.3	(0.8)	Tractors: (0.7) Law n mow ers: (0.1)	6.6	0.7
Europe	3.6	2.7	5.5	2.8	Tractors: +1.1 Law n mow ers: +1.6 Other: +0.1	5.2	0.3
China*	5.1	5.4	1.0	(4.4)	Rice Transplanters: (3.8) Combine harvesters: (0.6)	1.0	0
Asia except China	0.9	0.8	0.7	(0.1)	Tractors: (0.2) Combine harvesters: +0.1	0.6	0.1
Oceania	0.3	0.3	0.6	0.3	Tractors: +0.2 Law n mow ers: +0.1	0.6	0
Products Total	14.0	17.3	15.1	(2.2)		14.0	1.1
Parts & Others	1.5	1.2	1.6	0.4		1.3	0.3
Total	15.5	18.5	16.7	(1.8)		15.3	1.4

•Note: China: Sales of Iseki-Changzhou Mfg. hasn't been included since Apr.-Sept./15 due to exclusion from consolidation.
Europe: Sales of subsidiary in France (Jul.-Sep.) is included from 15/Apr.-Dec.



Operating Income

(JPY bn, %)

Item	Apr. - Dec. 2012	Apr. - Dec. 2013		Apr. - Dec. 2014		Change	Apr. - Dec. 2014 Plan	Change
			%		%			
Net Sales	117.9	126.5	100.0	118.5	100.0	(8.0)	117.0	1.5
Cost of G. S.	80.7	88.0	69.5	83.8	70.7	(4.2)	81.6	2.2
Gross Profit	37.2	38.5	30.5	34.7	29.3	(3.8)	35.4	(0.7)
S. G. & A. Expenses	31.7	32.6	25.8	33.9	25.1	1.3	33.3	0.6
Operating Income	5.5	5.9	4.7	0.8	0.7	(5.1)	2.1	(1.3)

[Operating income, Factors of YoY change]

- Decreased gross income by decline in domestic sales for Apr.-Dec. : (2.9)
 - Decreased gross income by exclusion of Chinese subsidiary from consolidation : (0.6)
 - Initial operation expenses from mfg. subsidiary in Indonesia : (0.4)
 - Increased S.G.&A. expenses (personnel expenses, sales promotion expenses, etc.) : (1.3)
 - Others : +0.1
-
- (5.1)

Ordinary Income and Net Income

(JPY bn, %)

	Apr. - Dec. 2012	Apr. - Dec. 2013	Apr. - Dec. 2014	Change	Apr. - Dec. 2014 Plan	Change
Operating Income	5.5	5.9	0.8	(5.1)	2.1	(1.3)
Net Financial Income	(0.6)	(0.6)	(0.5)	0.1	(0.5)	0
Other Non-operating Income	0.6	1.8	1.8	0	0.6	1.2
Ordinary Income	5.5	7.1	2.1	(5.0)	2.2	(0.1)
Extraordinary Income	0.2	0.1	1.5	1.4	1.5	0
Extraordinary Losses	(0.3)	(0.2)	(0.3)	(0.1)	(0.4)	0.1
Income before Income Taxes	5.4	7.0	3.3	(3.7)	3.3	0
Taxes, Deferred Taxes	(1.5)	(2.0)	(1.9)	0.1	(1.6)	(0.3)
Net Income	3.9	5.0	1.4	(3.6)	1.7	(0.3)

Factors of YoY change

[Other non-operating income]	Foreign exchange gain or loss	:(0.4)
	Others (Favorable turn of financial income/expenses, loss on valuation of inventories)	:+0.5
[Extraordinary gains]	Gains on changes in equity, etc.	:+0.6
	Negative goodwill	:+0.8
	Others	:(0.1)

Balance Sheet

(JPY bn, %)

Item	Dec./12	Dec./13	Dec./14	Change	Mar./14
Cash/Deposits	10.9	12.9	13.4	0.5	8.2
Accounts Receivables	34.5	38.2	34.3	(3.9)	41.6
Inventories	41.5	43.9	47.3	3.4	43.3
(Product Inventory)	27.3	27.4	30.8	3.4	26.1
Other Current Assets	3.4	4.0	6.6	2.6	4.6
Noncurrent Assets	90.4	98.1	109.9	11.8	99.9
Total Assets	180.7	197.1	211.5	14.4	197.6
Accounts Payables	41.5	44.5	42.4	(2.1)	47.5
Debts/Bonds	49.5	52.8	64.0	11.2	44.4
Other Liabilities	28.1	31.3	35.4	4.1	37.0
(Total Liabilities)	119.1	128.6	141.8	13.2	128.9
Net Assets	61.6	68.5	69.7	1.2	68.7
(Retained Earnings)	11.4	15.8	17.4	1.6	17.2
Total Liabilities and Net Assets	180.7	197.1	211.5	14.4	197.6



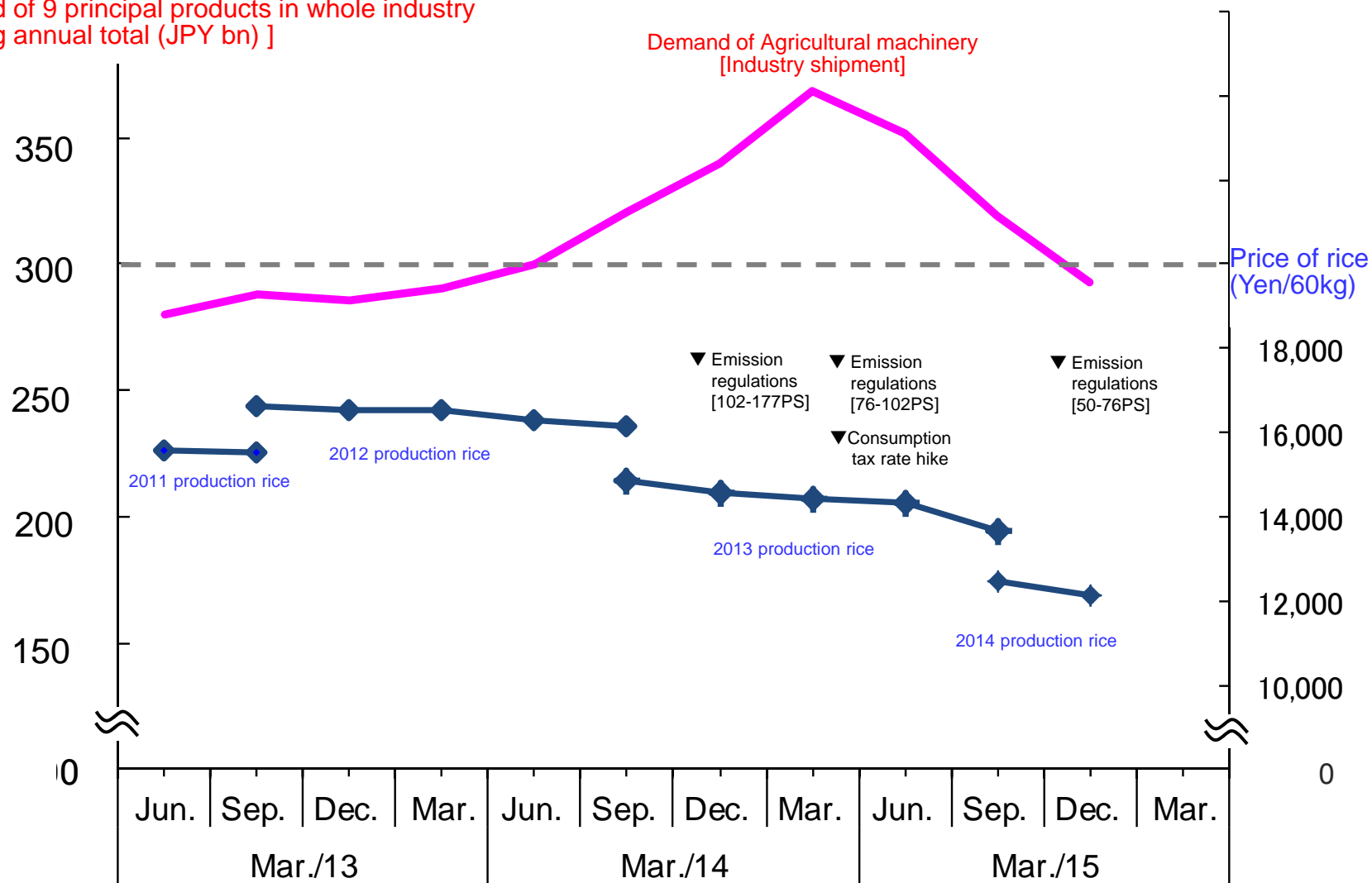
2. Recent Development in Domestic and Overseas Markets



New Combine Harvester HJ Series
4 row harvesting

Trends in Domestic Agricultural Machinery Market

Demand of 9 principal products in whole industry
[Moving annual total (JPY bn)]



[Demand] Statistics from JFMMA [Rice price] Arm's length price: MAFF

Industry and our shipment result

Y o Y growth rate of 9 principal products (Amount, Moving annual total) (%)

		Dec./12	Dec./13	Jun./14	Dec./14
Industry	Shipment	107	119	117	86
ISEKI	Sales	104	108	107	92



Our engagement (New products launch)

90th anniversary commemorative machines

Special machines

First Stage

Second Stage

For large scale farming

Vegetable related machinery

Third Stage

Jun./2014

Dec./2014

Jun./2015



Our engagement (ICT Agricultural Machinery)

ISEKI AGRI SUPPORT

ISEKI Farmers Support
'AKISAI'

Data origination to break away from seat-of-the pants farming

Visualization to achieve labor saving / low cost farming

Fundamental function

Machine / Operator management and support system



Tractor



Rice transplanter



Combine harvester



Dryer

To be expanded in the future

Advanced functions

Travelling assistance
'Lead-eye'

Variable fertilization system

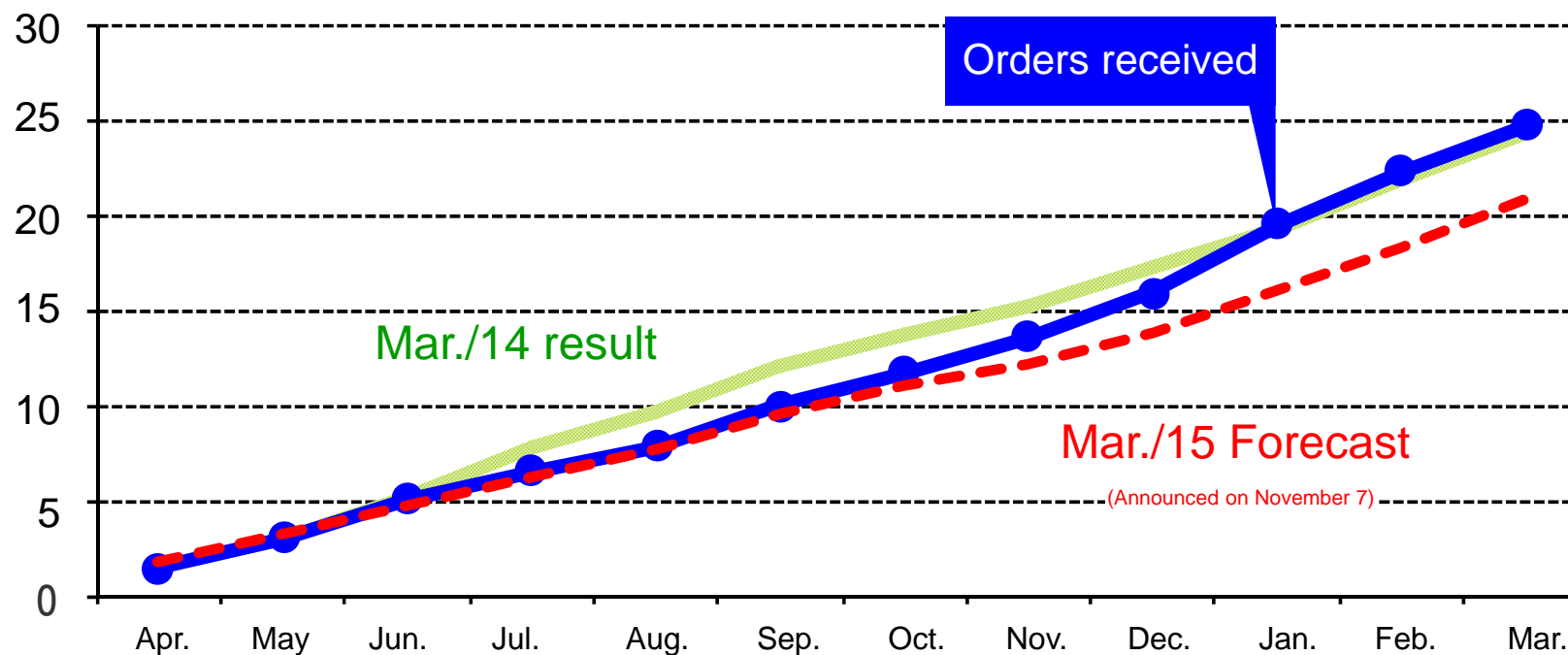
Simultaneous measuring system of yield / moisture

Automatic mail alarm system



Recent Market Trend in Overseas

(JPY bn)



Notes:

For North America, Europe, Asia other than China and Oceania, Apr.-Dec. is based on shipping result.

(Jan.-Mar. is based on orders received.)

For China, actual sales for Jan.-Mar. are included in consolidated result from Apr.-Jun.

Sales after April are not included.



Market Trend (North America)

1. Trend of Tractor Market in North America

Stable market demand.

Demand for both compact and utility tractors shifted higher than previous year.

Source: AEM statistics
(Association of Equipment Manufacturers)

(Unit: 1000)

Category (PTO HP)		2013	2014	Growth rate
		Jan.-Dec.	Jan.-Dec.	
Compact Tractors	USA	101	109	109%
	Canada	14	14	103%
PTO (40hp or below)		114	123	108%
Utility Tractors	USA	57	61	107%
	Canada	7	7	106%
PTO (40hp or above, 100hp or below)		64	68	107%

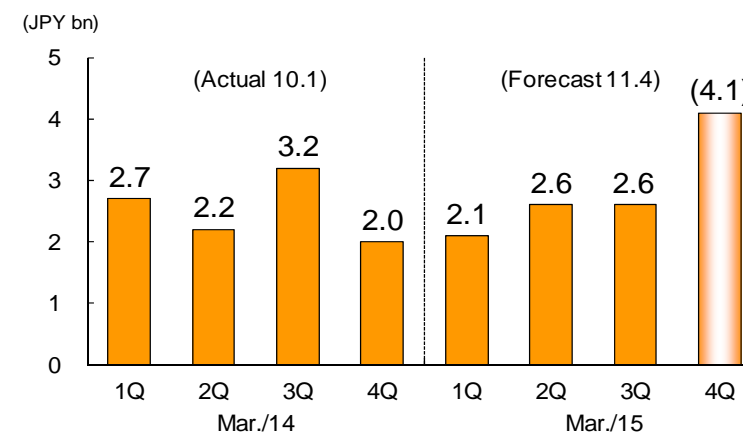
Figures have been rounded and non-adjusted

2. Our situation

- Annual sales (Forecast): Up13% year-on-year
- Effective sales (Jan.-Dec.) [OEM partner] :
 - Compact tractors : Higher than prev. year
 - Utility tractors : Higher than prev. year

Both compact and utility tractors remained strong

Trend of product sales in North America (Quarterly)



Market Trend (Europe)

1. Trends in European market

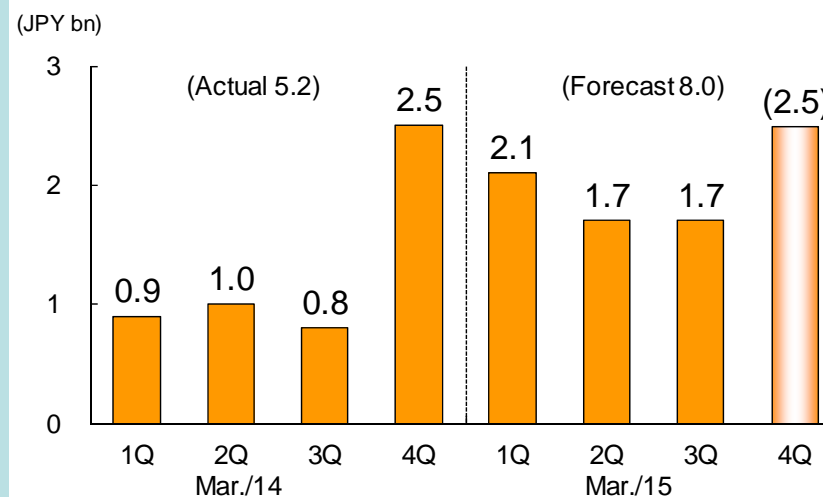
European economy: Gradual recovery trend expected in Germany.
Future uncertainty still prevailing as a whole.

2. Our situation

- Annual sales(Forecast) : Up 54%year-on-year
- Effective sales*(Jan.-Nov.) [Distributors and subsidiary in France] : Higher than prev. year

Launching of new products, and the 90th anniversary campaign working well

Trend of product sales for Europe (Quarterly)



Market Trend (China)

1. Trend in Chinese Market

(billion of Yuan)

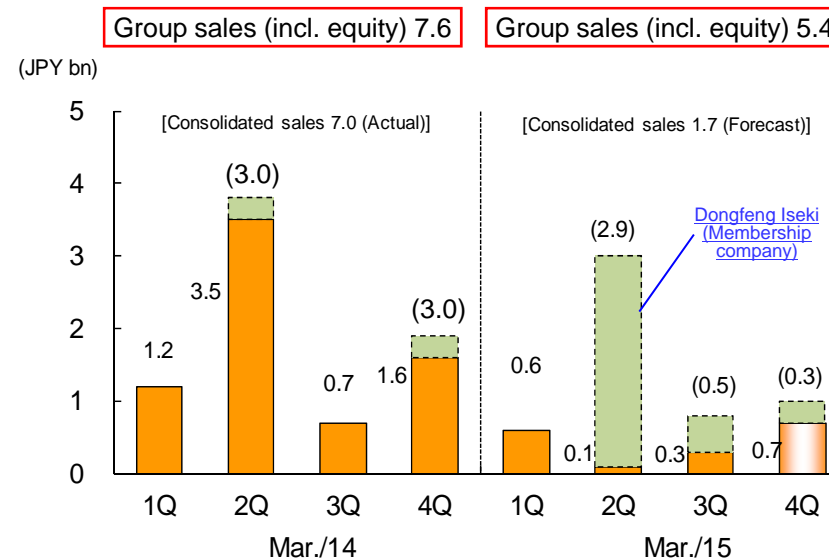
	2008	2009	2010	2011	2012	2013	2014	2015
Central government subsidy	4.0	13.0	15.5	17.5	21.5	21.75	1st period 17.0 Annual 23.8	1st period 21.0 Annual Undisclosed

Decrease in demand resulting from poor crops in the northeast region over 2012 and 2013 and delayed payment of the state subsidy.

2. Our Situation

- Annual Sales* (Forecast): Down 29% year-on-year
- Situation :
 - Rice transplanters: Struggled with sluggish demand.
 - Combine harvesters: Sales increased due to introduction of all-purpose combined harvesters.
 - Pest control machines: Full-fledged sales started since last year with high reputation.

Trend of ISEKI's sales in China (Quarterly)



Market Trends (ASEAN)

1. Our Engagement

■ Thailand

- Full-fledged sales was postponed for one year due to political unrest and rice policy of the government
- New tractor received positive feedbacks in the new product launch event in Jan. 2015

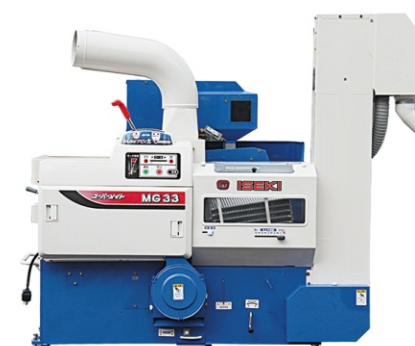


■ New line up

- All-purpose combine harvesters: test-marketed in Indonesia
evaluated in Thailand and Vietnam
- Walk-behind rice transplanter: test-marketed in Vietnam
- Tractors: introduced new model manufactured in Indonesia for ASEAN countries



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



New Rice Huller
MG33, MGJ 33 Series

Performance Forecast for FY Mar./15

1. Performance Forecast for FY Mar./15

(JPY bn)

Item	Mar./14	Mar./15		Change from	
		Previous forecast*	Latest forecast*	Mar./14	Previous forecast
Net Sales	169.1	159.0	158.0	(11.1)	(1.0)
(Domestic)	142.9	136.5	132.3	(10.6)	(4.2)
(Overseas)	26.2	22.5	25.7	(0.5)	3.2
Operating Income	7.4	2.5	1.0	(6.4)	(1.5)
Ordinary Income	8.3	2.4	1.8	(6.5)	(0.6)
Net Income	6.4	1.5	0.9	(5.5)	(0.6)

Company forex rate: ¥118 to the US\$ (changed from ¥106), ¥140 to the Euro (changed from ¥135)
Euro denominated credit valuation rate was modified from ¥135 to ¥132.

* Note: Previous forecast: Announced on November 7, Latest forecast: Announced on February 6.

2. Year-End Dividend Forecast

	Mar./14	Mar./15	
		Previous forecast*	Latest forecast*
Year-end Dividend	4.0	3.0 to 4.0	3.0

* Note: Previous forecast: Announced on May 14, Latest forecast: Announced on February 6.



Breakdown of Domestic Sales

(JPY bn)

	Mar./13	Mar./14	Mar./15		Change from		
			Previous forecast*	Latest forecast*	Mar./14	Previous forecast	
Agriculture Related Business	Cultivating & Mowing Machinery	29.0	33.3	32.5	32.0	(1.3)	(0.5)
	Planting Machinery	11.3	10.9	9.7	9.7	(1.2)	0
	Harvesting & Processing Machinery	26.8	28.3	24.8	23.7	(4.6)	(1.1)
	Agricultural Machinery Total	67.1	72.5	67.0	65.4	(7.1)	(1.6)
	Farming implements	17.5	21.6	20.0	19.0	(2.6)	(1.0)
	Parts	14.6	14.5	14.7	14.5	0	(0.2)
	Construction of Facilities	7.8	7.7	7.6	6.7	(1.0)	(0.9)
	Other Agriculture Related	25.9	26.6	27.2	26.7	0.1	(0.5)
	Total	132.9	142.9	136.5	132.3	(10.6)	(4.2)
	Other Business Total	0.1	0	0	0	0	0
Total	133.0	142.9	136.5	132.3	(10.6)	(4.2)	

* Note: Previous forecast: Announced on November 7, Latest forecast: Announced on February 6.



Breakdown of Overseas Sales

	Mar./14	Mar./15		Change from	
		Previous forecast*	Latest forecast*	Mar./14	Previous forecast
North America	10.1	10.0	11.4	1.3	1.4
Europe	5.2	7.5	8.0	2.8	0.5
China	7.0	1.3	1.7	(5.3)	0.4
Asia except China	1.5	1.3	1.3	(0.2)	0
Oceania	0.6	0.7	0.7	0.1	0
Products Total	24.4	20.8	23.1	(1.3)	2.3
Parts & Others	1.8	1.7	2.6	0.8	0.9
Total	26.2	22.5	25.7	(0.5)	3.2

(JPY bn)

◆Overseas business including equity

Chinese business (Dongfeng Iseki Machinery)	0.6		3.7
Overseas business including equity	26.8		29.4
Global sales	169.7		161.7
Ratio [Overseas/Total sales]	15.8%		18.2%

Company forex rate: ¥118 to the US\$ (changed from ¥106), ¥140 to the Euro (changed from ¥135)

* Note: Previous forecast: Announced on November 7, Latest forecast: Announced on February 6.



Performance Forecast for FY15/Mar.

(JPY bn)

Item	Mar./13	Mar./14	Mar./15		Change from	
			Previous forecast*	Latest forecast*	Mar./14	Previous forecast
Net Sales	155.7	169.1	159.0	158.0	(11.1)	(1.0)
Gross Income	48.1	52.7	48.3	46.4	(6.3)	(1.9)
Operating Income	5.1	7.4	2.5	1.0	(6.4)	(1.5)
Ordinary Income	5.4	8.3	2.4	1.8	(6.5)	(0.6)
Net Income	4.0	6.4	1.5	0.9	(5.5)	(0.6)

*Note: Previous forecast: Announced on November 7, Latest forecast: Announced on February 6.

[Operating Income Change from the previous forecast]

• Decline in gross income due to reduced sales of domestic agricultural machinery	: (1.7)
• Others	: +0.2
	<hr/>
	(1.5)



4. Domestic Priority Measures

Domestic Priority Measures

Enhancing maintenance & service / sales facility



Matsuzaka city, Mie pref.



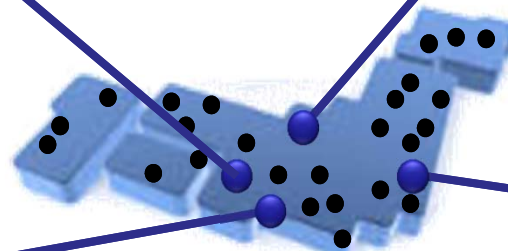
Tonami city, Toyama pref.



Inazawa city, Aichi pref.



Shimotsuma city, Ibaraki pref.



Domestic Priority Measures

Establishment of “New research institute of advanced agri-business and technology” in October 2015

- ◆ Diffusion and support of agricultural business
 - Proposal and lecture of labor saving/ low cost cultivation
 - Support for restoration of abandoned farm lands, and new farmers, etc.
- ◆ Research of advanced agri-business technologies
 - Study of labor saving/ low cost cultivation technologies
 - Study of ICT/ robot agricultural machinery, etc.



Strengthen ties with the administration, research institutions, universities, corporations, etc.



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.

