



Financial Results for the First Quarter Fiscal Year Ending December 2015 Investor Relations Presentation Materials

ISEKI & CO., LTD.

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Revision of Fiscal Year

The fiscal-year (the last day of a fiscal year) changes to the end of December

- As a transitory treatment, results in the following period are consolidated for fiscal 2015;
 - a) Companies that have adopted December 31 as the fiscal year-end (Domestic sales companies, etc.) : 12-month results (From Jan. to Dec. 2015)
 - b) Companies that have adopted March 31 as the fiscal year-end (ISEKI CO., LTD, etc.) : 9-month results (From Apr. to Dec. 2015)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
a) Companies that have adopted Dec.31 as the fiscal year-end Domestic sales companies and others	1Q			2Q			3Q			4Q		
b) Companies that have adopted Mar.31 as the fiscal year-end ISEKI & CO.,LTD and others				1Q			2Q			3Q		
Consolidated Financial results (Accumulated)				1Q a Jan.- Mar. b Apr.- Jun.			2Q a Jan.- Jun. b Apr.- Sep.			Full Year End a Jan.- Dec. b Apr.- Dec.		

Points of Attention of 1st Quarter financial Results

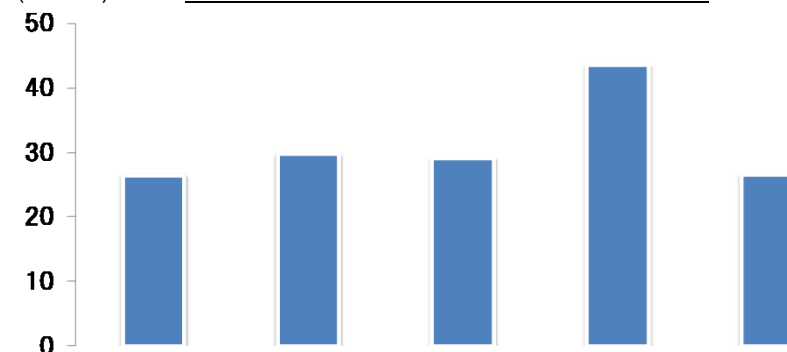
- ◆ 1st Quarter consolidated period :
 - Companies that have adopted Dec.31 as the fiscal year-end (Domestic sales companies, etc.): Jan.-Mar., 2015
 - Companies that have adopted Mar. 31 as the fiscal year-end (ISEKI & CO., LTD., etc.): Apr.-Jun., 2015

◆ Special notes regarding net sales :

1. Domestic sales

Net sales increased substantially during the 1st quarter of the previous year due to last-minute demand before consumption tax hike.

(JPY bn) Domestic 1st Quarter Net Sales



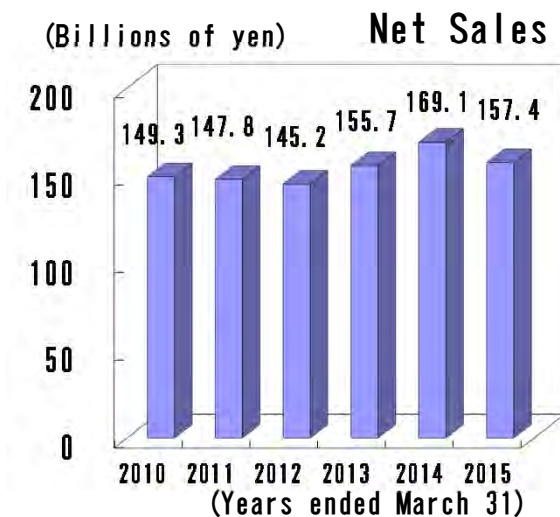
Fiscal year	FY ended Mar./12	FY ended Mar./13	FY ended Mar./14	FY ended Mar./15	FY ending Dec./15
Net Sales (JPY bn)	26.4	29.7	29.1	43.5	26.5

2. Overseas sales

- Europe: The results of ISEKI France from Jan.to Mar. are newly consolidated.
- China: Chinese subsidiary ,which was consolidated in the 1st quarter of the previous year, has been excluded from consolidation.



Outline of Financial Results of the First Quarter Fiscal Year Ending December, 2015



Outline of First Quarter Business Performance

(JPY bn, %)

Item	1Q of FY ended Mar./15		1Q of FY ending Dec./15		y o y Change	1Q of FY ending Dec./15 Target	Diff. (target/ actual)
		%		%			
Net Sales	49.2	100.0	34.2	100.0	(15.0)	33.4	0.8
(Domestic)	43.5	88.3	26.5	77.5	(17.0)	26.4	0.1
(Overseas)	5.7	11.7	7.7	22.5	2.0	7.0	0.7
Operating Income	2.0	4.0	0.3	0.8	(1.7)	0.4	(0.1)
Ordinary Income	1.8	3.7	0.4	1.1	(1.4)	0.3	0.1
Profit attributable to owners of parent	1.3	2.5	0.1	0.4	(1.2)	0.1	-

Note: Cumulative total : Jan.-Mar. (Domestic sales companies, ISEKI France, etc.)

* 1st Quarter Dec./15 Average actual forex rate :

Cumulative total : Apr.-Jun. (ISEKI&CO.,Ltd, Domestic manufacturing companies, etc.)

¥119 to the US\$, ¥130 to the Euro

Breakdown of Domestic Sales

(JPY bn, %)

		1Q of FY ended Mar./15	1Q of FY ending Dec./15	y o y Change	Note	1Q of FY ending Dec./15 Target	Diff. (target/ Actual)	
Agriculture Related Business	Agricultural Machinery	Cultivating & Mowing Machinery	11.6	7.3	(4.3)	Tractors: (3.9) Tillers:(0.3)	7.2	0.1
		Planting Machinery	3.6	2.6	(1.0)	Rice transplanters:(0.9)	2.6	-
		Harvesting & Processing Machinery	6.7	3.0	(3.7)	Combine harvesters:(2.7) Drying machines:(0.5)	3.0	-
	Total		21.9	12.9	(9.0)		12.8	0.1
	Farming Implements		7.1	4.0	(3.1)		4.0	-
	Parts		3.3	2.5	(0.8)		2.5	-
	Construction of Facilities		2.7	0.3	(2.4)		0.3	-
	Other Agriculture Related		8.5	6.8	(1.7)		6.8	-
	Total		43.5	26.5	(17.0)		26.4	0.1

Breakdown of Overseas Sales

(JPY bn)

	1Q of FY ended Mar./15	1Q of FY ending Dec./15	y o y Change	Note	1Q of FY ending Dec./15 Target	Diff. (target/ actual)
North America	2.1	2.4	0.3	Tractors: +0.3	1.9	0.5
Europe	2.1	3.8	1.7	Tractors: +0.2 Lawn mowers: +1.5	3.5	0.3
China*	0.6	0.2	(0.4)	Rice transplanters: (0.5) Others: +0.1	0.1	0.1
Asia except China	0.2	0.5	0.3	Tractors: +0.2 Rice transplanters, etc.: +0.1	0.5	-
Oceania	0.1	0.1	-		0.1	-
Products Total	5.1	7.0	1.9		6.1	0.9
Parts & Others	0.6	0.7	0.1		0.9	(0.2)
Total	5.7	7.7	2.0		7.0	0.7

•Note: Europe: The results of ISEKI France from Jan.-Mar. are included.
 China: The results of the local subsidiary have been excluded.

Gross Income and Operating Income

(JPY bn, %)

Item	1Q of FY ended Mar./15		1Q of FY ending Dec./15		y o y Change	1Q of FY ending Dec./15 Target	Diff. (target/actual)
		%		%			
Net Sales	49.2	100.0	34.2	100.0	(15.0)	33.4	0.8
Gross Profit	13.3	27.1	11.4	33.3	(1.9)	11.7	(0.3)
S. G. & A. Expenses	11.3	23.1	11.1	32.5	(0.2)	11.3	(0.2)
Operating Income	2.0	4.0	0.3	0.8	(1.7)	0.4	(0.1)

[Factors of year-on year change]

[Gross Profit]	<ul style="list-style-type: none"> • Decreased gross profit due to a decline in sales : (2.6) • Increased gross profit thanks to growth in sales of domestic agricultural machinery from Apr. - Jun. : +0.5 • Others [Reduced personnel expenses, etc.] : +0.2 	(1.9)
[Operating Income]	<ul style="list-style-type: none"> • <u>Decreased S.G.&A. expenses (Reduced personnel expenses, etc.)</u> : +0.2 	(1.7)

Ordinary Income and Net Income

(JPY bn, %)

	1Q of FY ended Mar./15	1Q of FY ending Dec./15	y o y Change	1Q of FY ending Dec./15 Target	Diff. (target/ actual)
Operating Income	2.0	0.3	(1.7)	0.4	(0.1)
Balance of Financial Income	(0.2)	(0.2)	-	(0.2)	-
Other Non-operating Income	0	0.3	0.3	0.1	0.2
Ordinary Income	1.8	0.4	(1.4)	0.3	0.1
Extraordinary Income	0.6	0.2	(0.4)	0.2	-
Extraordinary Losses	0	0	-	(0.1)	0.1
Income before Income Taxes	2.4	0.6	(1.8)	0.4	0.2
Taxes, Deferred Taxes	(1.1)	(0.5)	0.6	(0.3)	(0.2)
Profit attributable to owners of parent	1.3	0.1	(1.2)	0.1	-

[Factors of year-on year change]

[Other Non-operating Income]	Foreign exchange gains, etc	: +0.3
[Extraordinary Income/Losses]	Gain on sales of investment securities	: +0.2
	Decreased gain on changes in equity (Chinese subsidiary)	: (0.6)

Balance Sheet

(JPY bn, %)

Item	As of Jun./14	As of Jun./15	Change	As of Mar./15
Cash/Deposits	9.8	8.2	(1.6)	6.6
Accounts Receivables	34.3	36.0	1.7	30.4
Inventories	41.8	50.8	9.0	47.7
(Product Inventory)	25.1	31.8	6.7	30.8
Other Current Assets	4.1	4.8	0.7	7.1
Noncurrent Assets	106.1	112.9	6.8	112.3
Total Assets	196.1	212.7	16.6	204.1
Accounts Payables	46.1	40.4	(5.7)	38.7
Debts/Bonds	46.9	67.6	20.7	57.6
Other Liabilities	34.4	34.1	(0.3)	36.7
(Total Liabilities)	127.4	142.1	14.7	133.0
Net Assets	68.7	70.6	1.9	71.1
(Retained Earnings)	17.2	15.1	(2.1)	15.7
Total Liabilities and Net Assets	196.1	212.7	16.6	204.1



Recent Development of Domestic and Overseas Markets



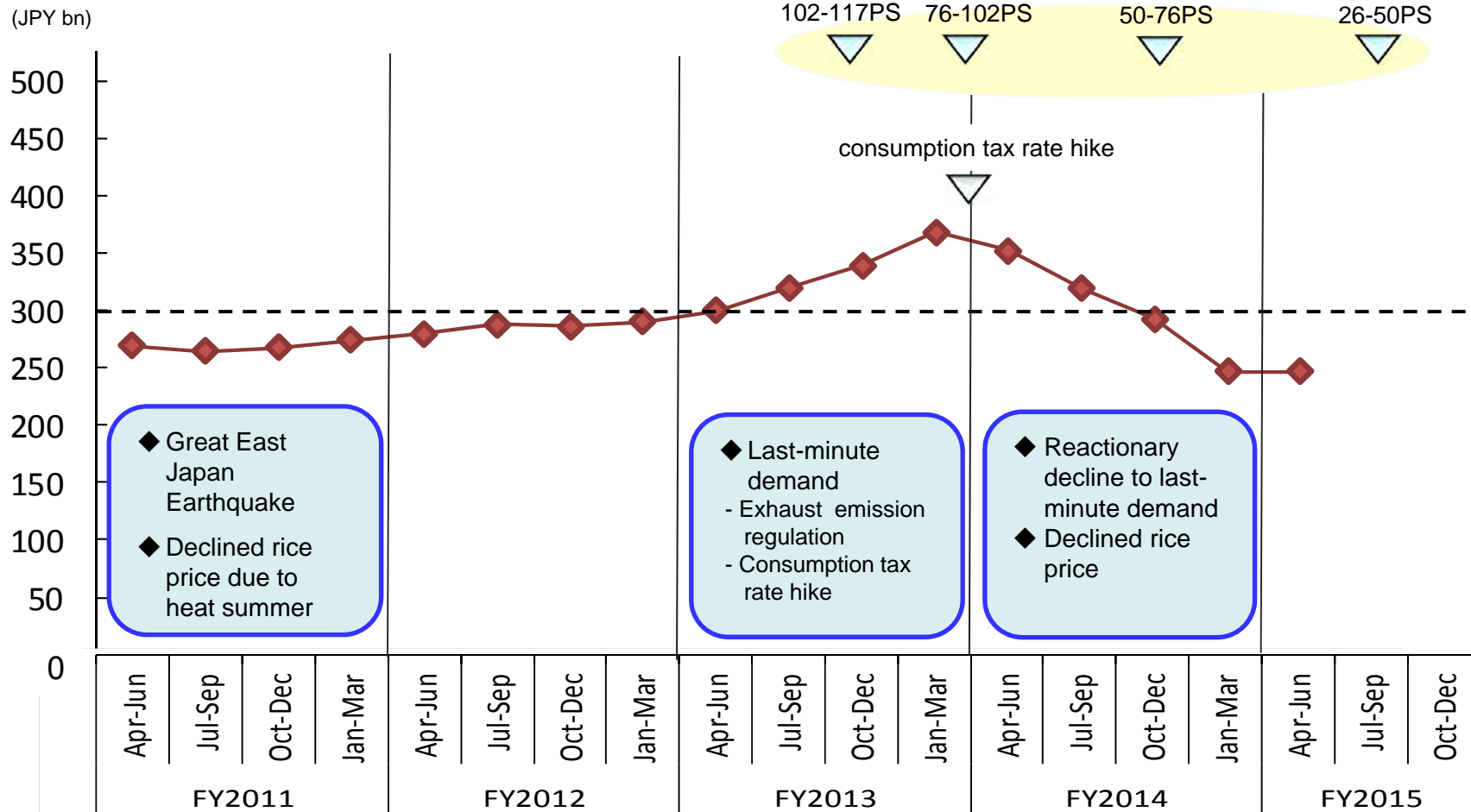
New compact tractor for domestic market
Z15 (15.8PS)



Trends in Domestic Agricultural Machinery Market

Demand for Agricultural Machinery [Industry shipment]

(9 principal products • Moving annual total)



Note: The above chart partially includes our estimation. Source: Shipment Statistics from JFMMA

Industry Shipments and Our Sales Result

Growth rate of 9 principal products (year-on year)

Unit : %

		Jun./11	Jun./12	Jun./13	Jun./14	Jun./15
Industry	Value of Shipments	92	104	107	117	70
ISEKI	Value of Sales	96	105	102	107	84

Note: The value of shipments on the above was calculated according to our standard.

Our Engagement - New Product Launch -

90th anniversary commemorative machines

Special machines

1st STAGE



2nd STAGE



For Large-Scale Farming



Vegetable-Related Machinery

3rd STAGE

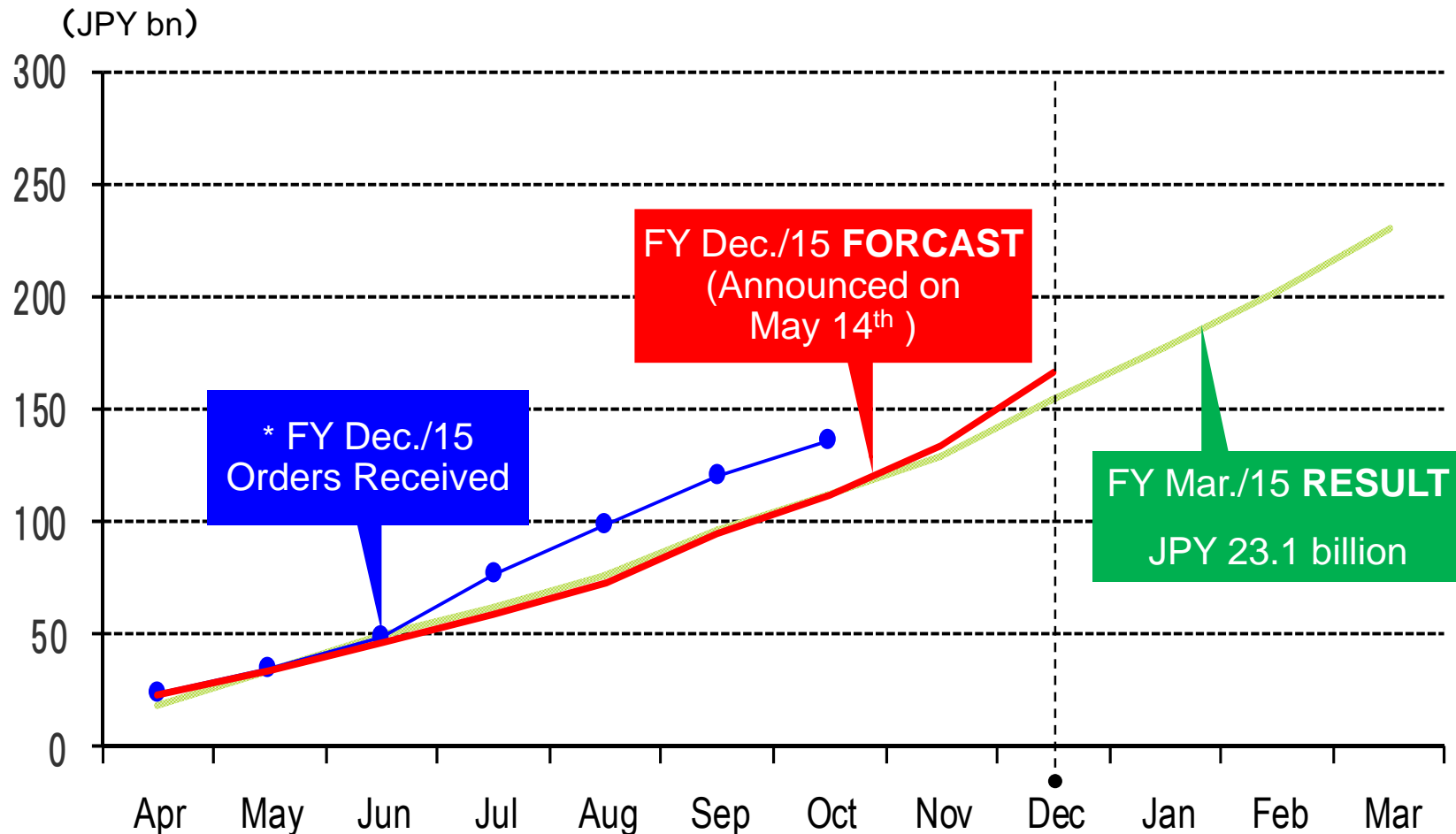


Jun. 2014

Dec. 2014

Jun. 2015

Recent Market Trend in Overseas



* Note: Shipment result (from Apr.- Jun.) + Orders received (from Jul.-Oct.)
The results of "Parts & Others" are not included.

Market Trend in North America

1. Market in North America

Unit: 1,000

Category (PTO hp)	Compact Tractors (40hp or below)			Utility Tractors (40hp or above, 100hp or below)		
	USA	Canada		USA	Canada	
Jan.-Jun. 2014	59	7	66	29	3	32
Jan.-Jun. 2015	62	7	69	29	3	32
Growth rate	104%	96%	104%	99%	86%	98%

Source: Association of Equipment Manufacturers statistics

Figures have been rounded and non-adjusted.

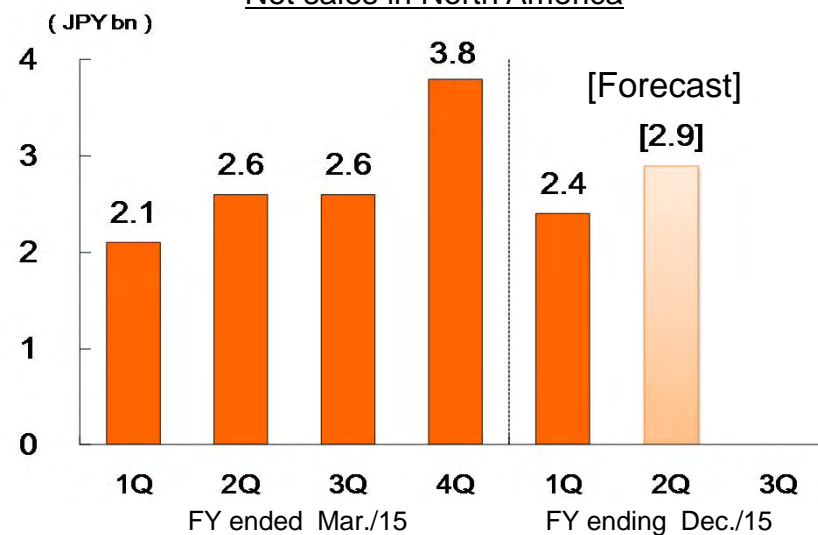
2. Our situation

Shipment/ Orders received (Apr. - Oct.) :
Up from last year

Unit sales (Jan.-Jun.) [OEM partner] :
Compact: Up from last year
Utility : Down from last year
(Our utility tractor line: Up from last year)

Achieve our sales plan by enriched line-up of economy tractors and full-fledged sales efforts.

Net sales in North America



Market Trend in Europe

1. Market in Europe

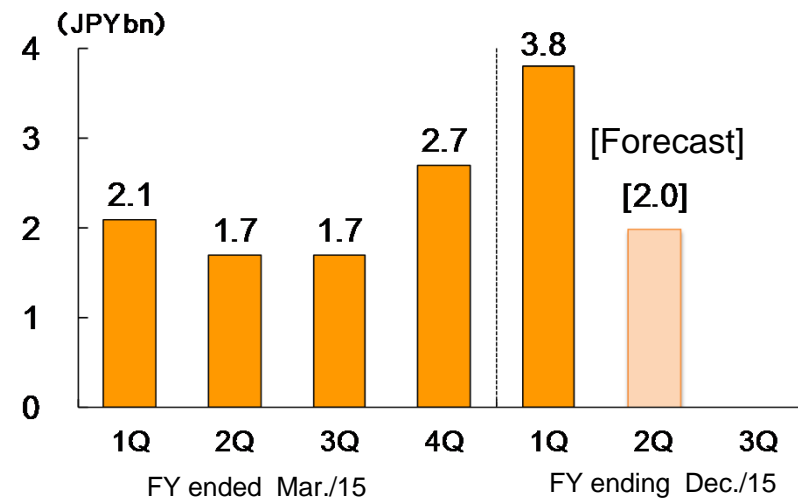
European economy: While gradual economic recovery continues in the market, future economy still remains uncertain due to matters of concern such as the Greek debt crisis.

2. Our situation

Shipment / Orders received (Apr. - Oct.) :
Up from last year
Unit sales (Jan.-May.) [Distributors] :
Up from last year
ISEKI France : Favorable trend continues
exceeding both previous year and the plan.

Expand sales through active sales promotion of new products, 90th anniversary campaigns, etc. as well as full-fledged operation of ISEKI France.

Net sales in Europe



Market Trend in ASEAN

1. Market in ASEAN countries

Thailand: Demand declined due to drought along with the stagnant economy.

Indonesia: Market demand expected to rise by Indonesian government tenders.

2. Our situation

- Thailand: New products received positive feedback in the market
Continue expanding distributors' network.
- Indonesia:

Production : Expand production models and volume

Sales : Promote Indonesian government tenders

Market Trend in China

1. Market in China

■ Central government subsidy

(billion of yuan)

2008	2009	2010	2011	2012	2013	2014	2015
4.0	13.0	15.5	17.5	21.5	21.8	17.0	1st period 21.0
						23.8	Annual 25.6 [Forecast]

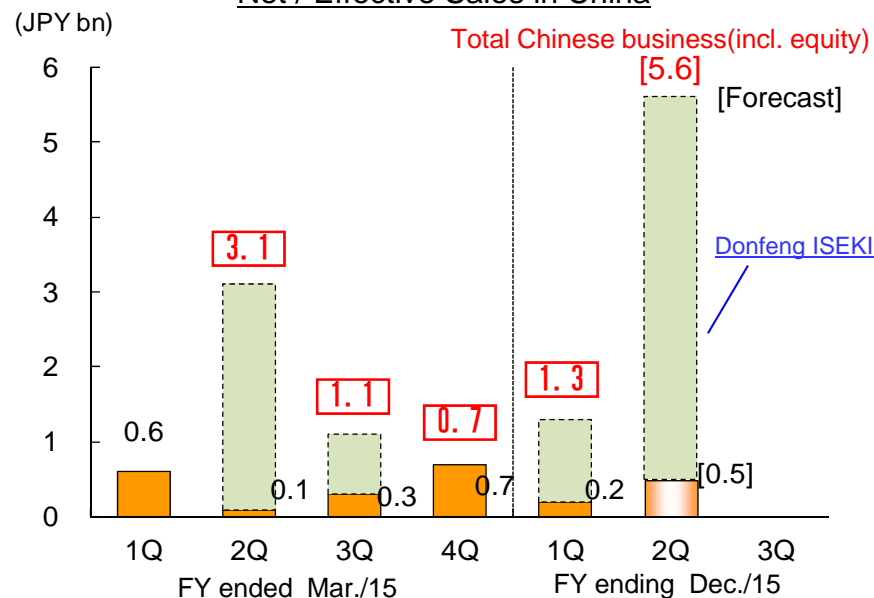
2. Our Situation

Unit sales of Dongfeng Iseki (Jan.-Jun.) :

- Rice transplanters (Walk-behind/Ride-on):
Up from last year
- Combine harvesters: Got off to a good start

Grow sales by sales expansion of combine harvesters during demand season and launch of new products such as tractors.

Net / Effective Sales in China



China - Construction of New Plant -

Expand production scale to grow Chinese business

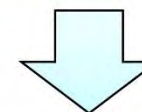


Exterior image

[Outline]

Production machinery	Ride-on rice transplanters, all-purpose combine harvesters, tractors, etc.
Production capacity	Approx. 50,000 units/ year
Site area	Approx. 380,000 m ²
Investment amount	Approx. 9 billion yen (Approx. 450 million yuan)
Start of operation	Planned in November, 2016

Besides in Chinese market,
export machinery to neighboring
ASEAN nations.



Moving into the next phase



Performance Forecast For the Fiscal Year Ending Dec., 2015



New Compact Tractor for Domestic Market
“GEAS NTA3 Series” (25- 60PS)



Performance Forecast for FY ending Dec./15

- Consolidated period -

1. Consolidated period

- 2nd quarter : As in the past
- Full year end : As a transitory treatment,
the results will be consolidated into 9 months

	2nd quarter cumulative	Full year
Domestic sales companies and others Companies that have adopted Dec.31 as the fiscal year-end	6 months (Jan.-Jun.)	12 months (Jan.-Dec.)
ISEKI & CO.,LTD and others Companies that have adopted Mar.31 as the fiscal year-end	6 months (Apr.-Sep.)	12 months (Apr.-Dec.)

2. Comparison with the previous term

In order to make year-on year comparison, the results for the fiscal year ended Mar./15 will be restated on the comparable period basis.

Performance Forecast for FY ending Dec./15

1. Performance forecast

(JPY bn)

Item	FY ended Mar./15 Actual		FY ending Dec./15 Forecast *2		y o y Change	
	1st half	Full year *1	1st half	Full year	1st half	Full year
Net Sales	82.4	145.7	78.0	152.0	(4.4)	6.3
Operating Income	1.0	(0.3)	1.8	3.9	0.8	4.2
Ordinary Income	1.5	1.0	1.7	3.7	0.2	2.7
Profit attributable to owners of parent	1.3		0.9	2.1	(0.4)	

Note: Company forex rate: ¥115 to the US\$ ¥130 to the Euro

*1 FY ended Mar./15 restated

*2 Not revised to the previous forecast announcement on May 14

2. Year-End Divided Forecast

(Yen)

Mar./15	Dec./15 Plan
3.0	3.0



Topics



New Rice Transplanter
w/ Diesel Engine
NP50D, 70D (5, 7row planting)



Topics

- ◆ Top ranked patent allowance rate in Japan! Open patents per specialty field ranked 1st for 14 years running (Announced in June)
[2015 Annual Report on Patent Policy, Patent Office]
 - Patent allowance rate in 2014: Ranked first (Patent allowance rate: 99.2%)
 - Open patents per specialty field in 2013:
Ranked first (the other special machinery sector)

- ◆ Tractor “Shiro Petit” model Z15 released in June!
[Developed for women farmers, designed from a woman’s point of view]
 - Minister Hayashi and Vice-Minister Abe of MAFF showed up to our Product Presentation Meeting.
 - Overseas local subsidiaries have shown strong interest on the product.



Debut at the Product Presentation Meeting on June 9

Topics

- ◆ China: Groundbreaking ceremony of new plant and First shipment ceremony of export products held in July



*Groundbreaking ceremony of new plant/
First shipment ceremony*



Long line of trucks waiting for departure

The Representative Office in China to be established

- Time of establishment: Planned in September, 2015
(Establishment Preparation Room already set up on August 1st)
- Location: Wuhan City, Hubei Province
- Purposes: Information collection of Chinese market and reinforcement of tie-ups with Dongfeng Iseki

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

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