

**Financial Results for the Second Quarter
Fiscal Year Ending December 31, 2021
Investor Relations Presentation Materials**

ISEKI & CO., LTD.

August 17, 2021

President Shiro Tomiyasu

1. Outline of Financial Results for the Second Quarter
Fiscal Year Ending December 31, 2021
2. Domestic and Overseas Markets
3. Performance Forecast for the Fiscal Year Ending
December 31, 2021
4. Topics

1. Outline of Financial Results for the Second Quarter Fiscal Year Ending December 31, 2021



<Second Quarter Financial Results>

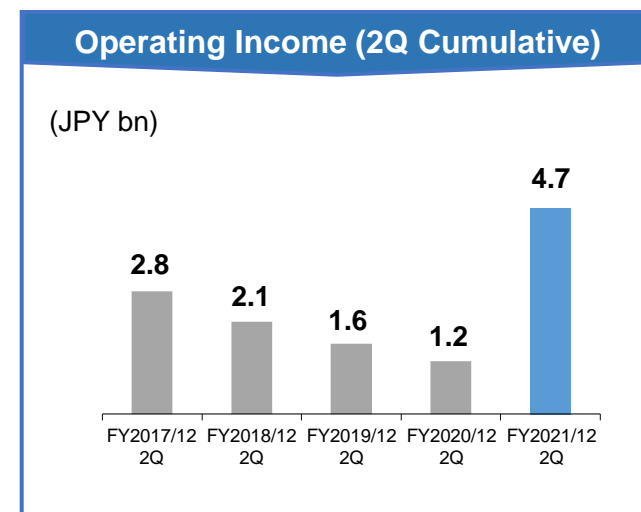
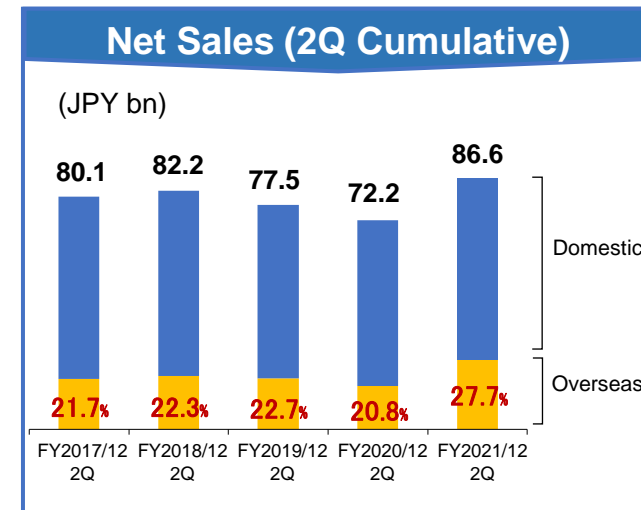
Significant YoY increases to both sales and profit

(Results Breakdown)

Domestic: Recovery from the reactionary decline after the consumption tax hike
Demand stimulated by government subsidies for agricultural business continuity, etc.

Overseas: Increased sales in North America and Europe owing to increased demand in line with lifestyle changes
In Asia, positive impact seen from making a Thai distributor a consolidated subsidiary at the end of the previous fiscal year and increased sales to China

Earnings: Gross profit buoyed by increased sales



<Full-year Forecast>

Consolidated Results Forecast Unchanged from Initial Estimates

(Risks in the second half)

- In Japan, reactionary pullback after demand stimulated by government subsidies for agricultural business continuity, etc., and decreased purchase intention due to concerns over lower price of rice
- Disruption of the supply chain due to the impact of the Novel Coronavirus (COVID-19) pandemic
- Raw material prices will soar and remain high

		YoY (FY2020/12 2Q)	Current Quarter (FY2021/12 2Q)
Domestic		<ul style="list-style-type: none"> ✓ Reactionary decline after consumption tax hike ✓ Self restraint on sales activities due to COVID-19 	<ul style="list-style-type: none"> ✓ Recovery from post-consumption tax hike reactionary decline ✓ Impact of self restraint on sales activities eased compared to previous year ✓ Demand stimulated by government subsidies for agricultural business continuity, etc.
Overseas	North America	<ul style="list-style-type: none"> ✓ Robust demand owing to growing demand resulting from consumers staying at home ✓ Delays in shipments of parts led to decreased shipments of tractors (temporary factors of the Company) 	<ul style="list-style-type: none"> ✓ Increased demand due to lifestyle changes ✓ A shortage of containers for marine transportation led to unfulfilled shipments and other backorder generation
	Europe	<ul style="list-style-type: none"> ✓ Temporary closure of local retail outlets due to lockdowns⇒the Company adjusted shipments ✓ Partial recovery seen after store operations gradually resumed from May onwards 	<ul style="list-style-type: none"> ✓ Robust demand for consumer goods owing to lifestyle changes ✓ Local distributors continued operations as essential retail ✓ Sales activities gradually returned to normal as vaccination progressed
	Asia	<ul style="list-style-type: none"> ✓ China <ul style="list-style-type: none"> • Demand for agricultural machinery stimulated by government policies to secure food and travel restrictions ✓ ASEAN (Thailand) <ul style="list-style-type: none"> • Low-level purchasing sentiment due to lower volume of agricultural produce, and sluggish crop prices ✓ South Korea <ul style="list-style-type: none"> • Demand for large agricultural machinery continued, despite the impact of restrictions on activities ✓ Taiwan <ul style="list-style-type: none"> • Subsidies in place for purchase of large agricultural machinery 	<ul style="list-style-type: none"> ✓ China <ul style="list-style-type: none"> • Robust market continued, owing to factors including the continuation of government policies to secure food and stabilization of grain prices ✓ ASEAN (Thailand) <ul style="list-style-type: none"> • Demand for agricultural machinery was on a recovery track, as the volume of agricultural produce and crop prices began to recover last year ✓ South Korea <ul style="list-style-type: none"> • Demand for large agricultural machinery continued ✓ Taiwan <ul style="list-style-type: none"> • A pullback effect with the withdrawal of subsidies

Outline of Consolidated Business Performance

(January 1, 2021 to June 30, 2021)

(JPY bn, %)	FY2019/12		FY2020/12		FY2021/12		YoY Change
	2Q Actual	%	2Q Actual	%	2Q Actual	%	
Net Sales	77.5	100.0	72.2	100.0	86.6	100.0	14.4
(Domestic)	59.9	77.3	57.2	79.2	62.6	72.3	5.3
(Overseas)	17.5	22.7	14.9	20.8	24.0	27.7	9.0
Operating Income	1.6	2.1	1.2	1.8	4.7	5.4	3.4
Ordinary Income	0.8	1.1	1.0	1.5	5.5	6.4	4.4
Profit (Loss) Attributable to Owners of Parent	0.6	0.9	0.9	1.4	4.1	4.8	3.1
Average Exchange Rate (JPY)	US\$	110.7	108.5		106.8		(1.7)
	Euro	125.7	119.7		129.1		9.4

YoY
¥5.3 billion

With agricultural machinery and farming implements recovering from the reactionary decline following the consumption tax hike, and demand stimulated by government subsidies for agricultural business continuity, etc., domestic sales increased overall.

(JPY bn)		FY2019/12 2Q Actual	FY2020/12 2Q Actual	FY2021/12 2Q Actual	YoY Change		
					Notes		
Agricultural Machinery Related	Agricultural Machinery	Cultivating & Mowing Machinery	15.1	13.3	14.7	1.3	Tractors: 1.0
		Planting Machinery	6.1	5.5	6.4	0.9	Rice Transplanters: 0.4
		Harvesting & Processing Machinery	5.3	4.3	4.8	0.5	Combine Harvesters: 0.4
		Subtotal	26.6	23.1	25.9	2.7	
	Farming Implements	Farming Implements	11.9	10.6	13.5	2.8	
		Spare Parts	6.8	7.1	7.2	0.1	
		Repair Fees	2.6	2.7	2.8	0.0	
		Subtotal	21.4	20.6	23.6	3.0	
	Total		48.1	43.8	49.6	5.8	
	Construction of Facilities		1.3	3.0	1.9	(1.1)	
Others		10.4	10.3	11.0	0.6		
Total		59.9	57.2	62.6	5.3		

Main factors of YoY changes

- ✓ Sales of agricultural machinery and farming implements rose, having recovered from the post-consumption tax hike slump, and demand was stimulated by government subsidies for agricultural business continuity, etc.
- ✓ YoY easing of the impact of exhibition cancellations and shrinking scale on account of COVID-19
- ✓ Spare parts sales and repair fee revenues remained strong
- ✓ For construction of facilities, orders received and completed for large-scale facilities declined
- ✓ Overall domestic sales increased substantially compared to the year before last

YoY
¥9.0 billion

Sales in North America and Europe increased owing to rising demand in line with lifestyle changes
In Asia, making a Thai distributor a consolidated subsidiary had a positive impact (at the end of the previous fiscal year), and sales to China increased

(JPY bn)	FY2019/12	FY2020/12	FY2021/12	YoY Change	
	2Q Actual	2Q Actual	2Q Actual		Notes
North America	6.6	5.0	7.8	2.8	Tractors: 2.8
Europe	7.3	6.4	10.8	4.4	Tractors: 1.2 Lawn mowers: 2.1
Asia	3.3	3.4	5.1	1.7	Tractors: 1.0 Rice Transplanters: 0.4
Others	0.2	0.1	0.2	0.0	
Total Sales	17.5	14.9	24.0	9.0	

Main factors of YoY changes

- ✓ **North America:** Sales increased against the backdrop of a favorable compact tractor market
A shortage of containers for marine transportation led to unfulfilled shipments and other backorder generation
- ✓ **Europe:** Sales, mainly of consumer goods, were robust owing to lifestyle changes, and sales increased from the impact of a weak yen
A shortage of containers for marine transportation led to unfulfilled shipments and other backorder generation
- ✓ **Asia:** Sales increased due to the impact from making a Thai distributor a consolidated subsidiary at the end of the previous fiscal year, tender-related activities in the Philippines, and increased shipments of semi-finished products to China

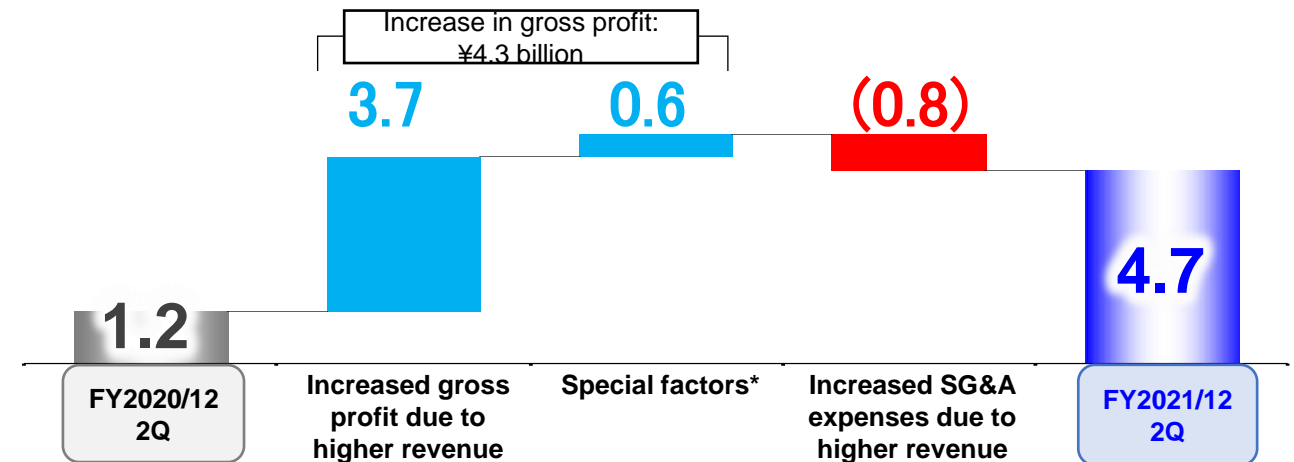
Operating Income

YoY
¥3.4 billion

In addition to increased gross profit buoyed by higher sales, operating income increased owing to special factors, including the absence of a loss on valuation of parts inventory recorded in the previous fiscal year.

(JPY bn, %)	FY2019/12 2Q Actual	FY2020/12 2Q Actual	FY2021/12 2Q Actual	YoY Change
Net Sales	77.5	72.2	86.6	14.4
Gross Profit	22.5	21.4	25.7	4.3
Gross Profit Margin	29.1%	29.7%	29.8%	0.1%
SG&A Expenses	20.8	20.1	21.0	0.8
Personnel Expenses	12.2	12.0	12.3	0.3
Other Expenses	8.6	8.1	8.7	0.5
Operating Income	1.6	1.2	4.7	3.4

[Breakdown on YoY Change]



*Special Factors

- Absence of loss on valuation of parts inventory included in the previous fiscal year 0.3
- Decline in depreciation in line with posting an impairment loss in the previous fiscal year 0.3

[Effect of FOREX Fluctuations (JPY bn)]

Net Sales	Cost of Sales	SG&A Expenses	Operating Income
0.7	(0.4)	(0.1)	0.2

Ordinary Income and Profit

Ordinary
Income
YoY
¥4.4 billion

In addition to favorable shifts in foreign exchange gain (loss) and share of profit (loss) of entities accounted for using the equity method, profit increased due mainly to one-off posting of non-operating income.

(JPY bn)	FY2019/12 2Q Actual	FY2020/12 2Q Actual	FY2021/12 2Q Actual	YoY Change
Operating Income	1.6	1.2	4.7	3.4
Balance of Financial Income	(0.3)	(0.3)	(0.3)	(0.0)
Other Non-Operating Income	(0.4)	0.1	1.1	0.9
Ordinary Income	0.8	1.0	5.5	4.4
Extraordinary Income	0.1	0.6	0.0	(0.6)
Extraordinary Losses	(0.1)	(0.1)	(0.1)	0.0
Income Before Income Taxes	0.7	1.6	5.4	3.8
Income Taxes - Deferred	(0.1)	(0.6)	(1.2)	(0.6)
Profit (Loss) Attributable to Owners of Parent	0.6	0.9	4.1	3.1

Non-operating Income (YoY Change)	
Foreign exchange gain (loss)	¥0.3 billion
Share of profit (loss) of entities accounted for using the equity method	¥0.2 billion
Settlement received	¥0.4 billion

(Reference) Related to Equity Method

(JPY bn)	FY2020/12 2Q Actual	FY2021/12 2Q Actual	Change
Share of profit (loss) of entities accounted for using the equity method (non-operating)	(0.18)	0.03	0.21
Gain (loss) on change in equity (extraordinary)	0.65	-	(0.65)

*Entities accounted for using the equity method
Previous fiscal year: Dongfeng Iseki, IST
Current fiscal year: Dongfeng Iseki

2 companies
1 company

Balance Sheet (Consolidated)

YoY Change:

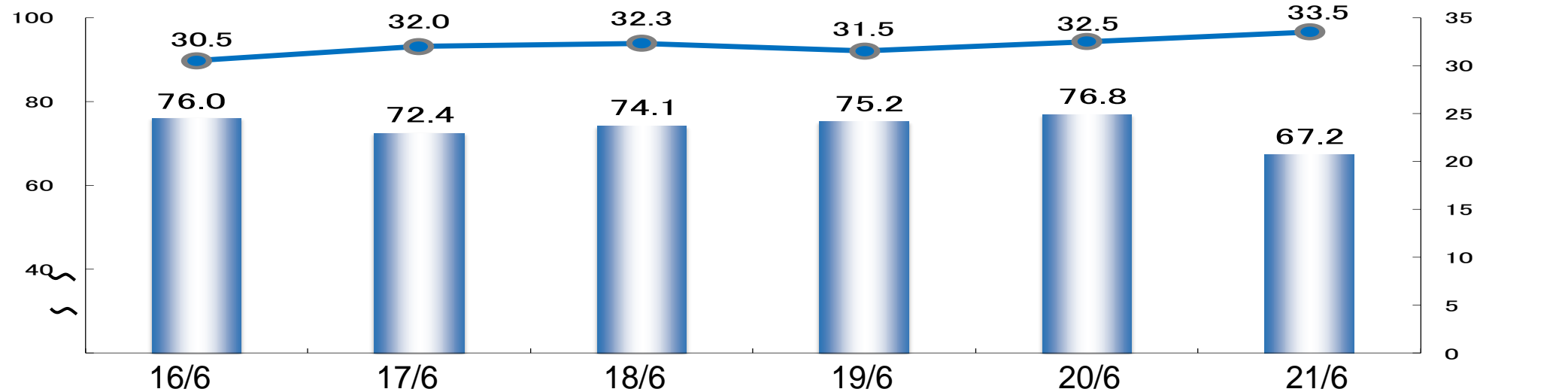
Higher sales and lower inventories this year led to improved balance of income ⇒ Cash & deposits increased
 Non-current assets decreased ⇔ Interest-bearing liabilities and capital decreased

(JPY bn)	As of Jun. 30, 2020	As of Jun. 30, 2021	YoY Change		As of Jun. 30, 2020	As of Jun. 30, 2021	YoY Change
Cash & Deposits	7.6	14.3	6.7	Accounts Payable – Trade	41.3	41.1	(0.2)
Accounts Receivable –Trade	30.2	32.1	1.9	Interest-bearing Liabilities	76.8	67.2	(9.6)
Inventories	56.6	47.7	(8.8)	(Loans Payable)	68.6	59.4	(9.1)
(Merchandise & Finished Goods)	48.4	40.0	(8.4)	Other Liabilities	19.7	19.6	(0.1)
Other Current Assets	4.2	3.5	(0.6)	(Deferred Tax Liabilities for Land Revaluation)	5.7	4.0	(1.6)
Total Current Assets	98.6	97.8	(0.8)	Total Liabilities	137.9	127.9	(10.0)
Property, Plant and Equipment	97.4	85.4	(11.9)	Net Assets	68.9	67.0	(1.9)
(Land)	50.8	44.6	(6.2)				
(Machinery, Vehicles, Leasing)	16.9	12.4	(4.5)	(Retained Earnings)	17.3	18.6	1.2
Intangible Assets	1.3	2.2	0.8	(Valuation Difference on Available-for-Sale Securities)	(0.0)	0.2	0.3
Investments and other Assets	9.5	9.5	0.0	(Revaluation Reserve for Land)	12.6	8.8	(3.7)
Total Non-current Assets	108.2	97.2	(11.0)	Total Liabilities and Net Assets	206.9	195.0	(11.9)
Total Assets	206.9	195.0	(11.9)				

Interest-bearing liabilities, D/E ratio

Made progress in reducing interest-bearing liabilities
D/E ratio improved to 1.00

Balance of Interest-Bearing Liabilities (JPY bn)



Loans payable, corporate bonds	67.5	64.8	67.8	67.8	68.6	59.4
Lease obligations	8.5	7.6	6.3	7.4	8.2	7.7
Total	76.0	72.4	74.1	75.2	76.9	67.2
D/E Ratio	1.16	1.05	1.04	1.10	1.11	1.00

Note : D/E Ratio=Interest bearing liabilities(incl. Lease liabilities)/Net assets

Statement of Cash Flows

Cash Flows

Operating cash flows were positive and increased substantially owing to higher sales and lower inventories

(JPY bn)

	FY2020/12 2Q Actual	FY2021/12 2Q Actual	YoY Change
Cash flows from operating activities	(3.0)	7.4	10.5
Cash flows from investing activities	(4.6)	(1.3)	3.2
Free cash flow	(7.7)	6.1	13.8
Cash flow from financing activities	6.6	(2.9)	(9.6)
Effect of exchange rate change on cash and cash equivalents	0.0	0.1	0.1
Net increase (decrease) in cash and cash equivalents	(1.0)	3.2	4.3

2. Domestic and Overseas Markets



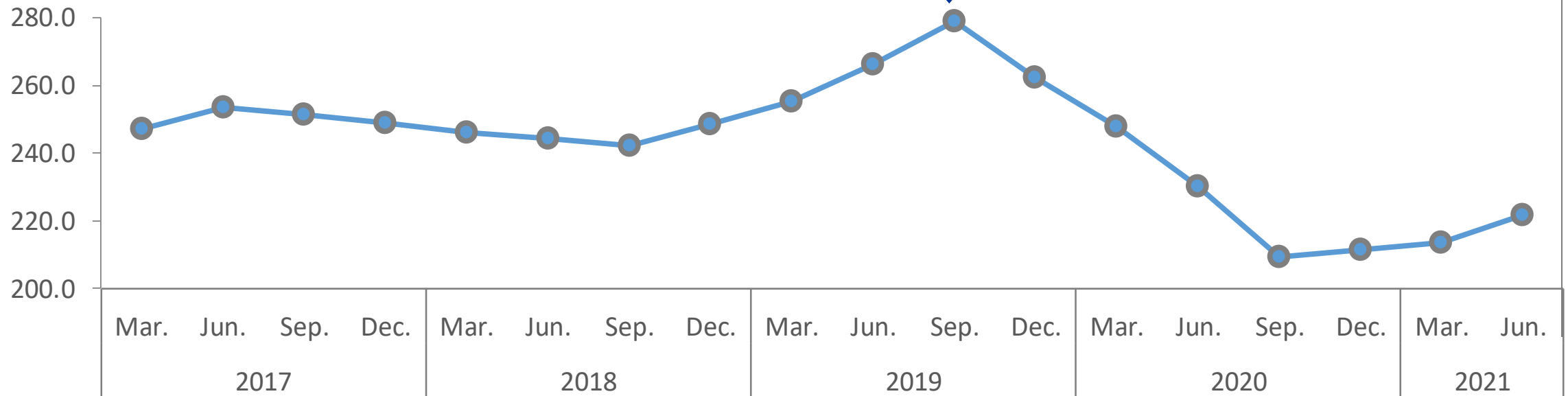
Domestic Agricultural Machinery Demand

In the first half, despite recovery from the reactionary decline after the consumption tax hike and demand being stimulated by government subsidies for agricultural business continuity, etc., recovery in demand was delayed due to the prolonged impact of COVID-19, etc. From the second half onward, the main concerns are a reactionary pullback after demand was stimulated by government subsidies for agricultural business continuity, etc., and decreased purchase intention due to the lower price of rice.

■ Agricultural machinery demand (shipments in the industry)

(9 principal machinery, moving annual total)

(JPY bn)



*9 principal machinery: Tractors, combine harvesters, rice transplanters, tillers, drying machines, rice huskers, binders, harvesters, treatment

Source: Estimated by ISEKI from statistics provided by the Japan Agricultural Machinery Manufacturers Association

ISEKI's Sales Performance

ISEKI's sales performance trended above that of the rest of the industry, owing to factors including the effect of offering new rice transplanter products

YoY growth rate for 9 principal machinery categories (moving annual total) (%)

		Jul. 2018- Jun. 2019	Jul. 2019- Jun. 2020	Jul. 2020- Jun. 2021	Jan.-Jun. 2021
Industry	(Amount of shipment)	104%	97%	96%	110%
ISEKI	(Sales amount)	99%	91%	104%	111%

*ISEKI estimates

*9 principal machinery: Tractors, combine harvesters, rice transplanters, tillers, drying machines, rice huskers, binders, harvesters, treatment

Large Agricultural Machinery

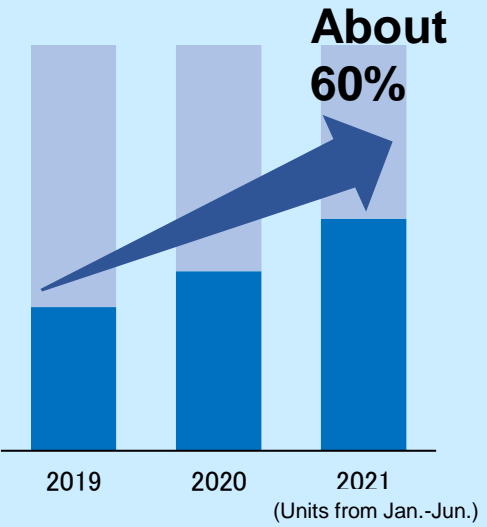
- ✓ **With the rice transplanter included, ISEKI's "All Japan Series" of flagship models is now complete**
Full-scale operations began in spring this year; sales are robust



Smart Agricultural Machinery

- ✓ About 60% of the 8-row class rice transplanters have straight-travel assisted specs

Percentage of straight-travel assisted specs among the 8-row class



- ✓ **Human-monitored robot rice transplanter**
(Planned introduction in Feb. 2022)

Unmanned operations possible when monitored by the user



■ Agricultural Business Solutions Portal Site “Amoni” (July 7, 2021)

Opened portal site for agricultural producers that agriculture-related manufacturers participate in, where a wide range of information on topics including agricultural management, cultivation and advanced technology can be accessed all at once, on top of information on the products and technologies of each company

• Target users: Large-scale agricultural producers

• Content provided:

[Daily useful information for agricultural businesses]

- Weather forecast
- Rain radar
- Cumulative temperature forecast
- Forecast for growth of wetland rice

[Information to help resolve issues of agricultural producers]

- Demonstration videos of agricultural machinery technologies and cultivation technologies
- Demonstration reports at each location
- Seminar and event information

• Goal: 100,000 registered users



<https://amoni.iseki.co.jp/>

- “Sustainable Food Systems Strategy MeaDRI” of the Ministry of Agriculture, Forestry and Fisheries

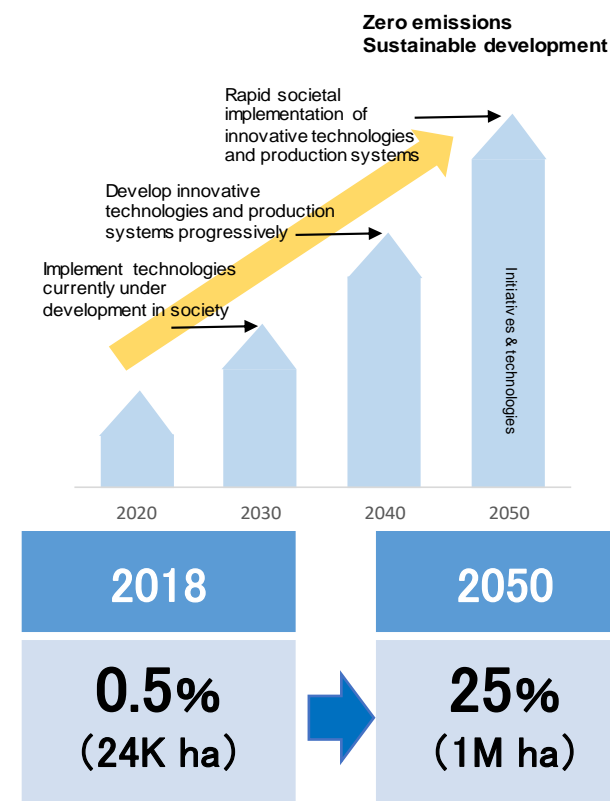
*Formulated on May 12, 2021

Government policy of strategic initiatives taken from a medium- to long-term perspective, to realize the balance between productivity improvement and sustainability of the agriculture, forestry and fisheries industries via innovation

Goals to Achieve by 2050 (Abstract)

- Realize the Ministry of Agriculture, Forestry and Fisheries’ goal of zero CO₂ emissions
- 50% reduction in (risk-weighted) use of chemical pesticides
- 30% reduction in chemical fertilizer use
- Increase organic farming to 1M ha (equivalent to 25% of farmland)

*Extracted from “Sustainable Food Systems Strategy MeaDRI” of the Ministry of Agriculture, Forestry and Fisheries (May 2021)



Expanding organic agriculture for rice cultivation

⇒ Current issues are water management operations and weed management operations

■ Examples of initiatives of ISEKI Group

Conclusion of a business alliance with Yukimai Design Co., Ltd., with the aim of the popularization and development of organic agriculture by utilizing automatic weed suppression robots (June 10, 2021)

[Details of business alliance]

- Field demonstration experiments in the development of automatic weed suppression robots, support for technology development, sales and after-sales support, etc.
- Construct smart organic system with automatic weed suppression robots, coach users, etc.



Promotion of sustainable agriculture



Environmental preservation

North America

In the compact tractors market, demand for products for individual users continued to rise. In the second half, the rise in demand is expected to slow slightly but still exceed last year's level. Although sales and orders at ISEKI were robust, a shortage of containers for marine transportation led to unfulfilled shipments, etc.

1. Market Trends

(1,000 units, %)

Category (PTO HP)	Jan. to Jun. cumulative			
	2019	2020	2021	YoY
40 HP and lower (Compact tractors)	98	110	120	117%
40-100 HP (Utility tractors)	31	33	39	120%
100 HP and above	10	9	12	126%

(Source: Statistics provided by AEM)

2. Situation of AGCO (OEM partner)

Unit sales (Jan.-Jun., 2021)

- Compact tractors : YoY 122%
- Utility tractors : YoY 122%

3. Sales and Orders at ISEKI

Shipments and Orders (Jan.-Sep., 2021): YoY 162%

*A shortage of containers for marine transportation led to unfulfilled shipments, etc.

- ✓ **Compact tractor that realized high-level basic performance at a low price began full-scale operations in 2021**

- Realized improvement in environmental performance with an engine made in-house at ISEKI



MF1835E

Europe

Local retail outlets continued operations as essential retail. Demand for consumer goods rose due to demand from consumers staying at home, and continued to be robust. Although local sales and orders at ISEKI both performed well, a shortage of containers for marine transportation led to unfulfilled shipments, etc.

1. Market Trends

<Landscaping market>

- Sales activities at local retail outlets gradually returned to normal levels as vaccination progressed in various countries in Europe, and have currently recovered to pre-COVID levels
- Demand for consumer goods rose due to demand from consumers staying at home, and continued to be robust

2. Local Sales

➤ Sales (Jan.-Jun., 2021)

- Local distributors: YoY 128%
(Units sold basis)

3. Sales and Orders at ISEKI

Shipments and Orders (Jan.-Sep., 2021):
YoY 211%

*A shortage of containers for marine transportation led to unfulfilled shipments, etc.

- ✓ **Full-scale operations of riding mower for pros, which realized top-level environmental performance and has extensive functions, began in 2021**
 - Has an engine that complies with European emission standards (EU StageV)
 - High-level basic functions and extensive specs and equipment that cater to the needs of pro users



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Thailand

1. Market Trends

- Demand for agricultural machinery was on a recovery track, as the volume of agricultural produce and crop prices began to recover last year

2. Situation of the Local Distributor, IST Farm Machinery

Number of Units Sold (Jan.-Jun., 2021)

➤ ASEAN Strategy Tractor: YoY 87%

- Following consolidation as the Company's subsidiary, rebuilding profit structure (increasing sales, reducing costs) to improve corporate structure.



A service training session

3. Shipments and Orders at ISEKI

Shipments and Orders (Jan.-Sep., 2021):
YoY 397%

Indonesia, Myanmar

1. Market Trends

- <Indonesia> • Government tenders were lower than the initial forecast, as budget was partially allocated to COVID-19 countermeasures
- <Myanmar> • Sales activities of sales outlets were affected by a chaotic domestic situation due to the coup d'état

2. Orders at ISEKI (Jan.-Sep., 2021)

- <Indonesia> • YoY increase owing to government tenders and strengthening of general sales
 - Further promotion of sales centering on local brand power
- <Myanmar> • YoY decline on the impact of the coup d'état
 - Sales activities stagnated as the chaos became prolonged

3. PT. ISEKI Indonesia (Manufacturing Subsidiary)

(Units, JPY bn)	2020		2021	
	2020 Actual	Jan.-Jun. Actual	2021 Plan	Jan.-Jun. Actual
Production Volume	10,760	5,000	14,630	7,700
Operating Income	0.3	0.2	0.4	0.2

China

1. Market Trends

Trends in the Chinese Agricultural Machinery Industry by Product Type

(YoY Change in Units, %)	Jan.-Jun., 2019	Jan.-Jun., 2020	Jan.-Jun., 2021
Rice Transplanters (Riding)	94.5%	125.6%	140.8%
Combine Harvesters (All-purpose, Auto-threshing)	87.7%	91.9%	125.1%
Tractors (Medium- to Large-sized)	106.4%	117.8%	117.3%

Source: China Association of Agricultural Machinery Manufacturers

2. National Government Subsidy

(RMB bn)

2015	2016	2017	2018	2019	2020	2021
23.8	23.7	18.6	18.6	18.0	17.0	19.0

3. Situation of Dongfeng Iseki. (Number of Units Sold, Jan.-Jun., 2021)

- Rice transplanters (riding): YoY 104%
- Tractors, combine harvesters: YoY 147%

South Korea, Taiwan

1. Market Trends

- <South Korea> • In line with moves toward large-scale farming, demand for large-sized, high-performance agricultural machinery heightened
- <Taiwan> • Demand for large-sized agricultural machinery continued; a pullback effect with the withdrawal of subsidies

2. Shipments and Orders at ISEKI

Shipments and Orders (Jan.-Sep., 2021): YoY 88%

- <South Korea> • In line with market trends, large-sized, high-efficiency combine harvesters performed well. Shipments of tractors fell due to inventory adjustments at distributors.
- <Taiwan> • Orders struggled to grow due to the impact of a reactionary decline with the withdrawal of subsidies and of the COVID-19 pandemic, but ISEKI aims for sales expansion centered around smart rice transplanters in the second half

✓ PRJ8, Rice Transplanter for Taiwan

Market introduction of high-efficiency, high-precision rice transplanter for contractors (straight-travel assisted specs) in June 2021



3. Performance Forecast for the
Fiscal Year Ending
December 31, 2021



<Predictions on the business environment>

- ✓ Although the spread of COVID-19 will continue, it is expected to be alleviated by the end of the fiscal year owing to an increased rate of vaccination

Outlook for 3Q and beyond

	Outlook for 3Q and beyond
Domestic	<ul style="list-style-type: none"> ✓ Reactionary pullback after demand stimulated by government subsidies for agricultural business continuity, etc. ✓ Decreased purchase intention due to concerns over lower price of rice
Overseas	<ul style="list-style-type: none"> ✓ Continuation of robust orders in North America and Europe ✓ Backorders will increase, including unfulfilled shipments, resulting from disruption of the supply chain due to the impact of the COVID-19 pandemic
Cost aspect	<ul style="list-style-type: none"> ✓ Raw material prices will soar and remain high

Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2021

Consolidated Financial Results Forecasts

After incorporating risk factors in the second half, initial consolidated financial results forecasts remain unchanged.

(JPY bn)	FY2019/12		FY2020/12		FY2021/12		YoY Change
	Actual	%	Actual	%	Forecast	%	
Net Sales	149.8	100.0	149.3	100.0	153.5	100.0	4.1
(Domestic)	117.7	78.5	115.9	77.6	117.9	76.8	1.9
(Overseas)	32.1	21.5	33.3	22.4	35.6	23.2	2.2
Operating Income	2.7	1.8	2.0	1.4	3.6	2.3	1.5
Ordinary Income	1.1	0.7	1.7	1.1	3.5	2.3	1.7
Profit Attributable to Owners of Parent	0.7	0.5	(5.6)	-	2.4	1.6	8.0
Average Exchange Rate (JPY)	US\$	109.3	107.0		105.0		(2.0)
	Euro	121.6	121.5		123.0		1.5

*Forecast for year ending Dec. 2021: Forecast announcement on Feb. 15, 2021

4. Topics



■ Establishment of “Sustainability Committee” (July 1, 2021)

A “Sustainability Committee,” chaired by the President, was established to strengthen initiatives on issues revolving around sustainability, in order to improve medium- to long-term corporate value, while contributing to the realization of an abundant and sustainable society through ISEKI’s business activities.

■ Issuance of ISEKI Report 2021

Contents

- ✓ Value creation of ISEKI Group
 - Stance and strategies of the Mid-Term Management Plan (2021-2025)
 - Materiality
 - Business development of each company, etc.
- ✓ ESG initiatives that support value creation

URL of the ISEKI Report: <https://www.iseki.co.jp/english/csr/report/>



■ Intellectual Property

1. Number of patents registered in Japan by sector

Ranked No. 2 in the Other Special Machinery Sector

Year	2000-2006	2007-2014	2016-2017	2018	2019	2020
Statistics	Number of patents published by sector		Number of patents registered by sector			
Sector	Agriculture and Fishery		Other Special Machinery			
Rank	First			Second	First	Second

2. Patent grant ratio

Ranked No. 1 in All Industries

Year	2004-2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Patent grant rate	-	91.8%	94.7%	97.0%	99.2%	97.5%	100.0%	98.1%	96.4%	97.7%	98.7%
Rank	First	Second	First					Second	First		

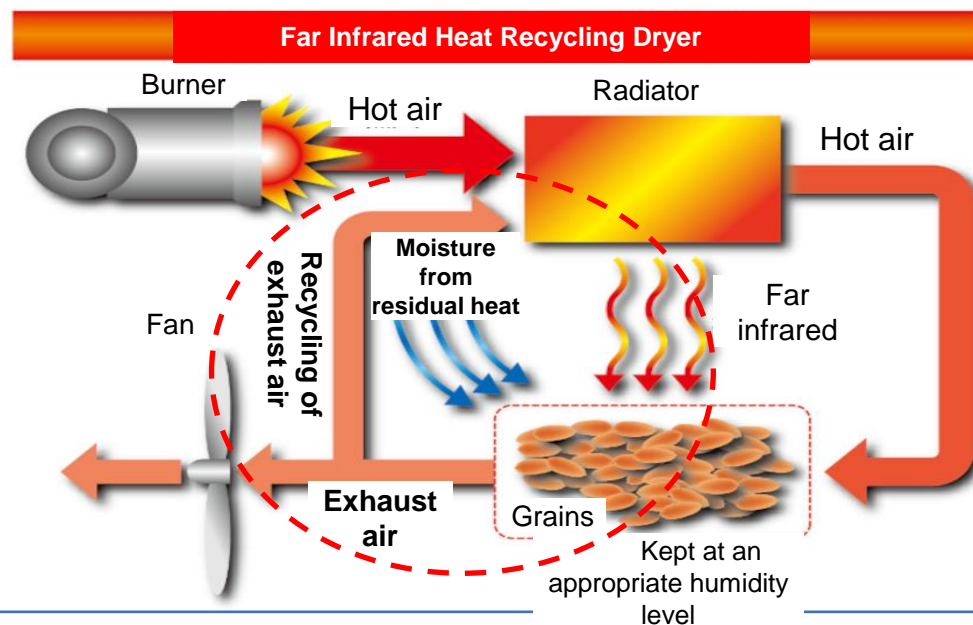
* Patent grant rate = Number of patents granted / (Number of patents granted + Number of patents applications refused + Number of patents applications withdrawn or abandoned)
Number of patents applications withdrawn or abandoned = Number of patents applications withdrawn or abandoned after notice of reasons for refusal

Source: Japan Patent Office Annual Report 2021 (the Japan Patent Office)

■ Received the “Invention Prize” in the “National Commendation for Invention 2021”

<Prize-winning invention> **Invention of heat recycling control for grain dryers**

Realizing energy-saving and high-speed drying while preventing the cracking of grains, by using the heat and moisture present in exhaust air



GML series of dryers that use heat recycling technology

Fuel Consumption
13% reduction

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ISEKI Group joins the nationwide action called “COOL CHOICE” run by the Ministry of the Environment Government of Japan, which promotes to make “smart choices” for the global warming. As a proposal of “smart choices”, we develop and deliver environmental-friendly products like “eco products”.