

## Supplementary Information to Consolidated Financial Results

(January 1, 2019 – September 30, 2019)

## I. Consolidated results of operations for the nine months ended September 30, 2019 (Billions of yen, %)

	3Q of FY ended December 31, 2018	3Q of FY ending December 31, 2019	Year-on-year change		FY ending December 31, 2019 forecast announced on February 13, 2019
			Amount	%	
Net sales	119.2	<b>121.0</b>	1.8	1.5	164.0
Domestic	93.9	<b>96.0</b>	2.1	2.2	126.7
Overseas	25.3	<b>25.0</b>	(0.3)	(1.1)	37.3
Gross profit	35.4	<b>35.8</b>	0.4	1.3	—
Gross profit margin	29.7%	<b>29.6%</b>	(0.1)%	—	—
Selling, general and administrative expenses	31.8	<b>31.3</b>	(0.5)	—	—
Operating income	3.6	<b>4.5</b>	0.9	26.0	4.0
Operating income ratio	3.0%	<b>3.7%</b>	0.7%	—	2.4%
Balance of financial income	(0.6)	<b>(0.6)</b>	0.0	—	—
Other non-operating income	(0.2)	<b>(0.7)</b>	(0.5)	—	—
Ordinary income	2.8	<b>3.2</b>	0.4	17.8	2.6
Ordinary income ratio	2.3%	<b>2.7%</b>	0.4%	—	1.6%
Extraordinary income	0.1	<b>0.1</b>	0.0	—	—
Extraordinary losses	(0.1)	<b>(0.2)</b>	(0.1)	—	—
Income before income taxes	2.8	<b>3.1</b>	0.3	13.6	—
Income taxes	(0.6)	<b>(1.0)</b>	(0.4)	—	—
Profit attributable to owners of parent	2.2	<b>2.1</b>	(0.1)	(3.9)	1.6

(Sales breakdown)

(Billions of yen)

	3Q of FY ended December 31, 2018	3Q of FY ending December 31, 2019	Year-on-year change	FY ending December 31, 2019 forecast announced on February 13, 2019
Agricultural machinery	42.3	<b>43.4</b>	1.1	58.6
Farming implements	16.0	<b>17.2</b>	1.2	21.3
Spare parts	11.3	<b>11.8</b>	0.5	15.3
Repair fees	4.2	<b>4.4</b>	0.2	5.9
Totals agricultural machinery related	73.8	<b>76.8</b>	3.0	101.1
Construction of facilities	5.0	<b>4.0</b>	(1.0)	5.2
Other agriculture-related business	15.1	<b>15.2</b>	0.1	20.4
Domestic sales total	93.9	<b>96.0</b>	2.1	126.7
North America	8.3	<b>9.8</b>	1.5	12.2
Europe	8.4	<b>7.8</b>	(0.6)	12.0
China	1.0	<b>0.1</b>	(0.9)	0.2
ASEAN	2.5	<b>1.0</b>	(1.5)	4.0
Others	1.4	<b>3.1</b>	1.7	4.2
Product sales total	21.6	<b>21.8</b>	0.2	32.6
Spare parts	1.9	<b>1.8</b>	(0.1)	2.7
Others	1.8	<b>1.4</b>	(0.4)	2.0
Overseas sales total	25.3	<b>25.0</b>	(0.3)	37.3
Total net sales	119.2	<b>121.0</b>	1.8	164.0

## Year-on-year change

### (1) Net sales: ¥121.0 billion (up ¥1.8 billion (1.5%) year on year)

**Sales in Japan increased, as a result of increased sales of agricultural machinery, farming implements, etc., due to a last-minute surge in demand in advance of the consumption tax increase.**

**Sales overseas decreased slightly overall due to sales decreases in Europe, China and ASEAN despite steady sales in North America and an increase in shipments to South Korea.**

#### i) Sales in Japan: ¥96.0 billion (up ¥2.1 billion (2.2%) year on year)

Overall sales related to agricultural machinery increased by ¥3.0 billion as a result of increased sales of agricultural machinery such as tractors and rice transplanters, farming implements, etc., due to a last-minute surge in demand in advance of the consumption tax increase in the third quarter.

Sales of construction of facilities decreased by ¥1.0 billion due to the absence of the completion of the construction of large-scale facilities in the same period of the previous fiscal year.

#### ii) Sales overseas: ¥25.0 billion (down ¥0.3 billion (1.1%) year on year)

Sales in North America increased by ¥1.5 billion due to favorable sales of new compact tractors.

Sales in Europe decreased by ¥0.6 billion due to decreased shipments of lawn mowers caused by the unseasonable weather and the effect of currency exchange rates linked to the higher yen.

Sales in China decreased by ¥0.9 billion mainly due to decreased shipments of semi-finished rice transplanters accompanying local inventory adjustments.

Sales in ASEAN decreased by ¥1.5 billion due to a decrease in Indonesian government tendering and decreased shipments of tractors to Thailand.

Sales in other regions increased by ¥1.7 billion mainly due to increased deliveries to South Korea.

### (2) Revenue: a reduction in selling, general and administrative expenses in addition to an increase in gross profit owing to increased sales in Japan

#### i) Operating income: ¥4.5 billion (up ¥0.9 billion year on year)

#### ii) Ordinary income: ¥3.2 billion (up ¥0.4 billion year on year)

#### iii) Profit: ¥2.1 billion (down ¥0.1 billion year on year)

Operating income increased by ¥0.9 billion primarily as a result of a reduction in selling, general and administrative expenses in addition to an increase in gross profit owing to increased sales in Japan.

Ordinary income increased by ¥0.4 billion mainly due to the recording of foreign exchange losses and the share of loss of entities accounted for using equity method.

## II. Consolidated financial results forecasts for the fiscal year ending December 31, 2019

With regard to the consolidated financial results forecasts for the fiscal year ending December 31, 2019 announced on February 13, 2019, we have made a downward revision of net sales in the amount of ¥8.5 billion from the previous forecast (released on February 13, 2019) in consideration of the actual financial results for the nine months ended September 30, 2019, the current trends of orders received, foreign exchange rates, and other factors. There are no revisions in any of the other income items from operating income onward as it is expected that profits in the previous forecast can be secured mainly due to lower than expected prices of raw materials, cost reduction by improving operational efficiency, and price reconsideration in terms of sales.

[Consolidated financial results forecasts for the fiscal year ending December 31, 2019]

(January 1, 2019 through December 31, 2019)

(Billions of yen, %)

	FY ended December 31, 2018	Previous forecasts for FY ending December 31, 2019 (released on February 13)	<b>Revised forecasts for FY ending December 31, 2019 (released on November 13)</b>	Year-on-year change	Difference from the previous forecasts
Net sales	156.0	164.0	<b>155.5</b>	(0.5)	(8.5)
Domestic	122.8	126.7	<b>122.7</b>	(0.1)	(4.0)
Overseas	33.2	37.3	<b>32.8</b>	(0.4)	(4.5)
Operating income	3.2	4.0	<b>4.0</b>	0.8	0.0
Ordinary income	2.6	2.6	<b>2.6</b>	0.0	0.0
Profit attributable to owners of parent	1.1	1.6	<b>1.6</b>	0.5	0.0

\* The assumed foreign exchange rates for the fourth quarter: ¥108 per U.S. dollar (continued)

¥119 per euro (changed from ¥125)

- Sales in Japan have been revised downward in the amount of ¥4.0 billion from the previous forecast, due to lower than expected sales despite a last-minute surge in demand in advance of the consumption tax increase and recovery of sales of large-sized tractors in the third quarter.
- Sales overseas have been revised downward in the amount of ¥4.5 billion from the previous forecast, mainly due to sluggish demand in Europe due to the effect of currency exchange rates and the unseasonable weather, and delayed sales recovery in the ASEAN markets, despite a continued increase in sales in the North American market.

\* Explanation on the proper use of financial results forecasts

The financial results forecasts and other forward-looking statements contained in this report are based on information available to the Company on the date of this report's release and certain preconditions that the Company deems to be reasonable. Actual results etc. may differ significantly from the forecasts, however, as a result of various factors.