

Financial Results for the Fiscal Year
Ended March 2015
Investor Relations Presentation Materials

ISEKI & CO., LTD.
Noriyuki Kimura, President
May 18, 2015

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* Points of Attention of Our Quarterly Financial Results

Fiscal term of each consolidated company

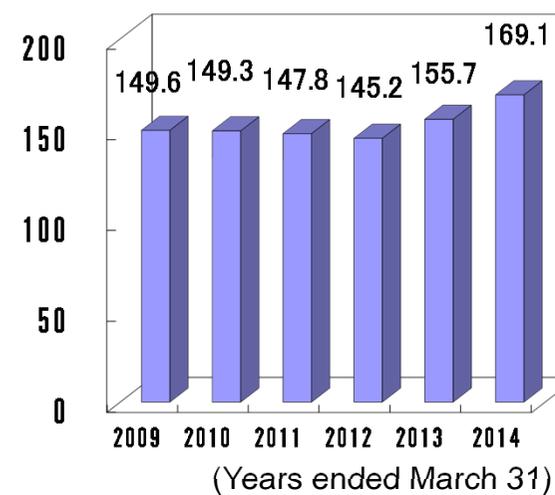
	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
a Domestic sales companies: 12 Sales affiliated company 1, Manufacturing subsidiary in Indonesia, Sales subsidiary in France: 2*	1 st Quarter			2 nd Quarter			3 rd Quarter			4 th Quarter					
b ISEKI & CO., LTD. Manufacturing/parts related: 6 Other consolidated subsidiaries: 3				1 st Quarter			2 nd Quarter			3 rd Quarter			4 th Quarter		
				1 st Quarter a Jan. - Mar. b Apr. - Jun.			2 nd Quarter a Apr. - Jun. b Jul. - Sep.			3 rd Quarter a Jul. - Sep. b Oct. - Dec.			4 th Quarter a Oct. - Dec. b Jan. - Mar.		

*Note: the subsidiaries are adopting September 30 as their annual closing date.



1. Outline of Financial Results for the Fiscal Year Ended March, 2015

(Billions of yen) **Net Sales**



Outline of Business Performance

(JPY bn, %)

Item	FY2013	FY2014		FY2015		Change (FY2014/ FY2015)	FY2015 Forecast*	Diff. (forecast/ actual)
			%		%			
Net Sales	155.7	169.1	100.0	157.4	100.0	(11.7)	158.0	(0.6)
(Domestic)	133.0	142.9	84.5	131.9	83.8	(11.0)	132.3	(0.4)
(Overseas)	22.7	26.2	15.5	25.5	16.2	(0.7)	25.7	(0.2)
Gross Profit	48.1	52.7	31.2	45.6	29.0	(7.1)	46.4	(0.8)
S. G. & A. Expenses	43.0	45.3	26.8	46.1	29.3	0.8	45.4	0.7
Operating Income	5.1	7.4	4.4	(0.5)	(0.3)	(7.9)	1.0	(1.5)
Ordinary Income	5.4	8.3	4.9	0.5	0.4	(7.8)	1.8	(1.3)
Net Income	4.0	6.4	3.8	(0.3)	(0.2)	(6.7)	0.9	(1.2)

* FY2015 Forecast : Forecast announced February 6.

Note: Mar./15 Average actual forex rate :¥108 to the US\$, ¥139 to the Euro



Breakdown of Domestic Sales

(JPY bn, %)

		FY2013	FY2014	FY2015	Change (FY2014/ 2015)	Note	FY2015 Forecast*	Diff. (forecast/ actual)	
Agriculture Related Business	Agricultural Machinery	Cultivating & Mowing Machinery	29.0	33.3	31.6	(1.7)	Tractors: (1.2) Others:(0.5)	32.0	(0.4)
		Planting Machinery	11.3	10.9	9.8	(1.1)	Rice transplanters:(1.1)	9.7	0.1
		Harvesting & Processing Machinery	26.8	28.3	24.0	(4.3)	Combine harvesters:(3.2) Drying machines:(0.7)	23.7	0.3
	Total		67.1	72.5	65.4	(7.1)		65.4	0
	Farming Implements		17.5	21.6	18.7	(2.9)		19.0	(0.3)
	Parts		14.6	14.5	14.4	(0.1)		14.5	(0.1)
	Construction of Facilities		7.8	7.7	6.8	(0.9)		6.7	0.1
Other Agriculture Related		25.9	26.6	26.6	0		26.7	(0.1)	
Total		132.9	142.9	131.9	(11.0)		132.3	(0.4)	
Other Business Total		0.1	0	0	0		0	0	
Total		133.0	142.9	131.9	(11.0)		132.3	(0.4)	

* FY2015 Forecast : Forecast announced on February 6.



Breakdown of Overseas Sales

(JPY bn)

	FY2013	FY2014	FY2015	Change (FY2014/ 2015)	Change	FY2015 Forecast*	Diff. (forecast / actual)
					Note		
North America	6.5	10.1	11.1	1.0	Tractors: +1.1	11.4	(0.3)
Europe	5.3	5.2	8.2	3.0	Tractors: +1.2 Lawn mowers: +1.7	8.0	0.2
China*	6.7	7.0	1.7	(5.3)	Excluded from consolidation*	1.7	0
Other Asia	1.5	1.5	1.4	(0.1)	Tractors: (0.3) Combine harvesters: +0.1	1.3	0.1
Oceania	0.5	0.6	0.7	0.1	Tractors: +0.1	0.7	0
Products Total	20.5	24.4	23.1	(1.3)		23.1	0
Parts & Others	2.2	1.8	2.4	0.6		2.6	(0.2)
Total	22.7	26.2	25.5	(0.7)		25.7	(0.2)

Notes:

China: Sales of the local subsidiary hasn't been included since the 2nd quarter FY2015 due to exclusion from consolidation.

Europe: Sales subsidiary in France (sales from Jul.-Dec.) has been consolidated since the 3rd quarter FY2015.

* FY2015 Forecast : Forecast announced on February 6.



Gross Income and Operating Income

(JPY bn, %)

Item	FY2013	FY2014		FY2015		Change (FY2014/ 2015)	FY2015 Forecast*	Diff. (forecast/ actual)
			%		%			
Net Sales	155.7	169.1	100.0	157.4	100.0	(11.7)	158.0	(0.6)
Cost of G. S.	107.6	116.4	68.8	111.8	71.0	(4.6)	111.6	0.2
Gross Profit	48.1	52.7	31.2	45.6	29.0	(7.1)	46.4	(0.8)
S. G. & A. Expenses	43.0	45.3	26.8	46.1	29.3	0.8	45.4	0.7
Operating Income	5.1	7.4	4.4	(0.5)	(0.3)	(7.9)	1.0	(1.5)

* FY2015 Forecast : Forecast announced on February 6.

[Factors of YoY change]

[Gross Income]	• Decreased gross income by decline in sales.	: (3.6)
	• Decreased gross income by decline in sales (Jan.-Mar.) of domestic agricultural machinery and recognition of unrealized income	: (2.4)
	• Start-up cost of Indonesian production subsidiary	: (0.4)
	• Others	: (0.7)
	Total	: (7.1)
[Operating Income]	• Decreased gross income	: (7.1)
	• Increased S.G.&A. expenses (personnel expenses, expenses related to 90 th anniversary campaign)	: (0.8)
	Total	: (7.9)

Ordinary Income and Net Income

(JPY bn, %)

	FY2013	FY2014	FY2015	Change (FY2014/ 2015)	FY2015 Forecast*	Diff. (forecast/ actual)
Operating Income	5.1	7.4	(0.5)	(7.9)	1.0	(1.5)
Net Financial Income	(0.7)	(0.8)	(0.6)	0.2	(0.6)	0
Other Non-operating Income	1.0	1.7	1.6	(0.1)	1.4	0.2
Ordinary Income	5.4	8.3	0.5	(7.8)	1.8	(1.3)
Extraordinary Gains	0.4	0.1	1.7	1.6	1.5	0.2
Extraordinary Losses	(0.3)	(0.5)	(0.9)	(0.4)	(0.6)	(0.3)
Income before Income Taxes	5.5	7.9	1.3	(6.6)	2.7	(1.4)
Taxes, Deferred Taxes	(1.5)	(1.5)	(1.6)	(0.1)	(1.8)	0.2
Net Income	4.0	6.4	(0.3)	(6.7)	0.9	(1.2)

* FY2015 Forecast : Forecast announced on February 6.

[Factors of YoY change]

[Other non-operating income]	Decreased foreign exchange gain	: (0.8)
	Others (Favorable turn of financial income/expenses, loss on valuation of inventories , etc.)	: +0.9
[Extraordinary gains / Losses]	Gains on changes in equity (Subsidiary in China)	: +0.6
	Negative goodwill (Conversion of French distributor into a subsidiary)	: +0.9
	Others (Surcharge payment (0.3), etc.)	: (0.3)

Balance Sheet

(JPY bn, %)

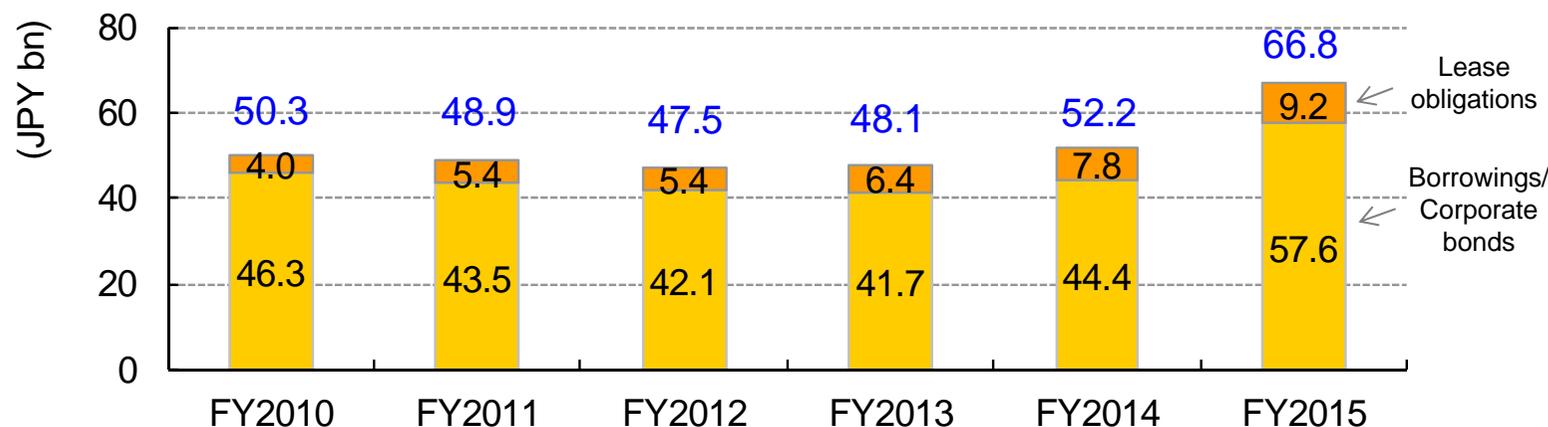
Item	FY2013 (As of Mar./13)	FY2014 (As of Mar./14)	FY2015 (As of Mar./15)	Change
Cash/Deposits	9.3	8.2	6.6	(1.6)
Accounts Receivables	30.5	41.6	30.4	(11.2)
Inventories	42.7	43.3	47.7	4.4
(Product Inventory)	27.3	26.1	30.8	4.7
Other Current Assets	3.9	4.7	7.1	2.4
Noncurrent Assets	92.6	99.8	112.3	12.5
Total Assets	179.0	197.6	204.1	6.5
Accounts Payables	42.6	47.5	38.7	(8.8)
Debts/Bonds	41.7	44.4	57.6	13.2
Other Liabilities	31.8	37.0	36.7	(0.3)
(Total Liabilities)	116.1	128.9	133.0	4.1
Net Assets	62.9	68.7	71.1	2.4
(Retained Earnings)	11.5	17.3	15.7	(1.6)
Total Liabilities and Net Assets	179.0	197.6	204.1	6.5



Interest Bearing Liabilities and Planned Dividend

1. Interest Bearing Liabilities

Trend of Balance of Interest Bearing Liabilities



D/E Ratio (Time)	0.91	0.89	0.82	0.76	0.76	0.94
Equity Ratio (%)	31.6	31.4	32.9	34.3	34.0	34.0

Interest bearing liabilities (JPY bn)	50.3	48.9	47.5	48.1	52.2	66.8
Net assets (JPY bn)	55.6	54.6	58.2	62.9	68.7	71.1

2. Planned Dividend

	FY2011	FY2012	FY2013	FY2014	FY2015 (Year Ended Mar./15)
Year-end Dividend	0	1.5	3.0	4.0	(Plan) 3.0

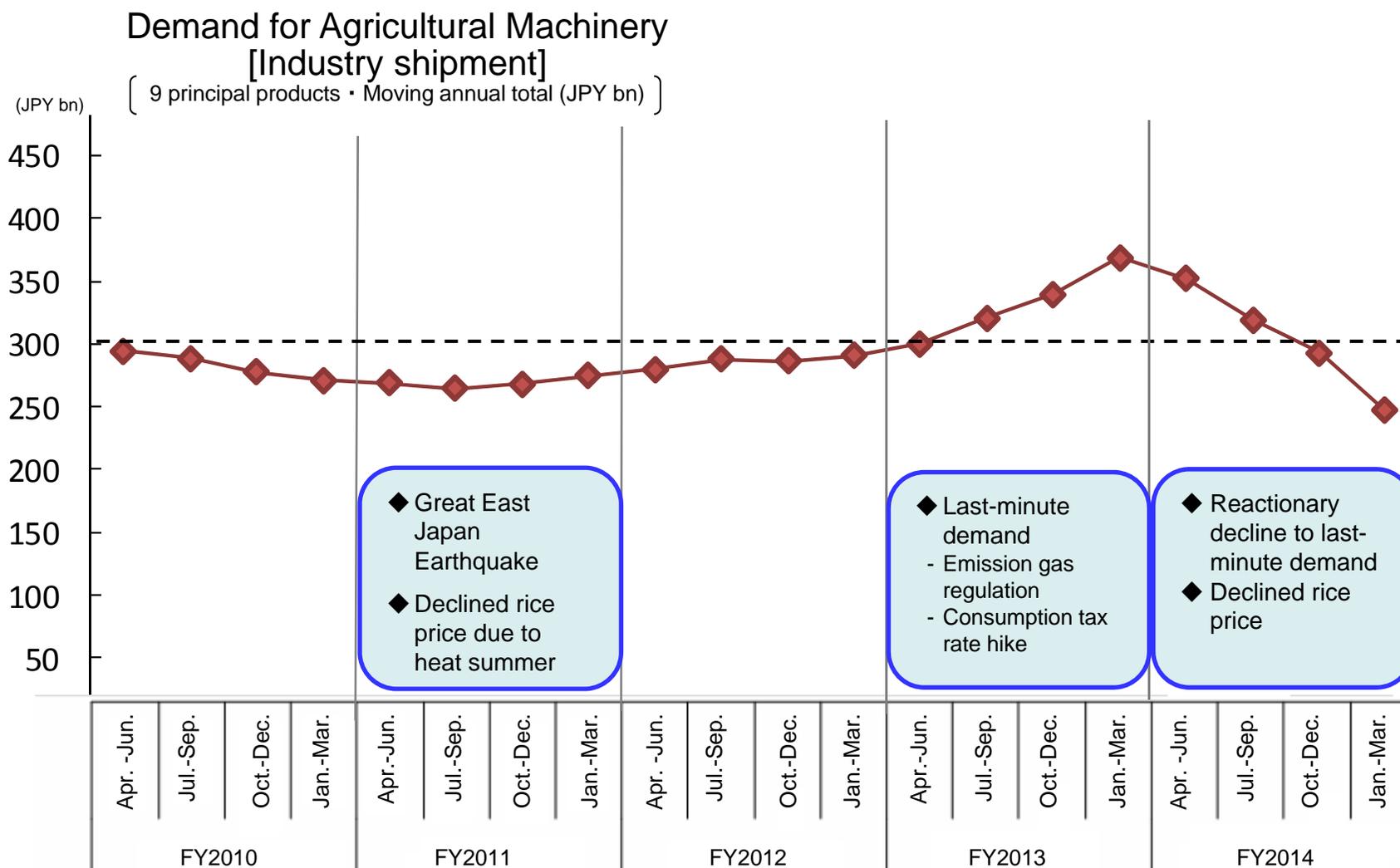


2. Recent Development in Domestic and Overseas Markets



Combine Harvester for domestic market
HFR Series (4 row, 5 row harvesting)

Trends in Domestic Agricultural Machinery Market



Note: The above chart partially includes our estimation.

Source: Shipment Statistics from JFMMA



Domestic Shipment of Agricultural Machinery of Industry and our Result

Growth rate trend of 9 principal products (Compared w/ FY 2012)

<Moving annual total>

(%)

		FY 2012	FY 2013	FY 2014			
		Mar./13	Mar./14	Jun./14	Sep./14	Dec./14	Mar./15
Industry	Growth rate of industry shipment amount	-	127	126	111	102	86
ISEKI	Growth rate of effective sales	-	117	109	103	100	85

Note: The above figures are calculated based on our estimation.



Our engagement toward changes in agriculture

- Major service facilities
- Large agricultural machinery



- Expansion of vegetable machinery line-up
 - Support for rice-crop diversion



Changes in agriculture



Make domestic agriculture Growing industry



- Advanced technologies
- Smart agricultural machinery

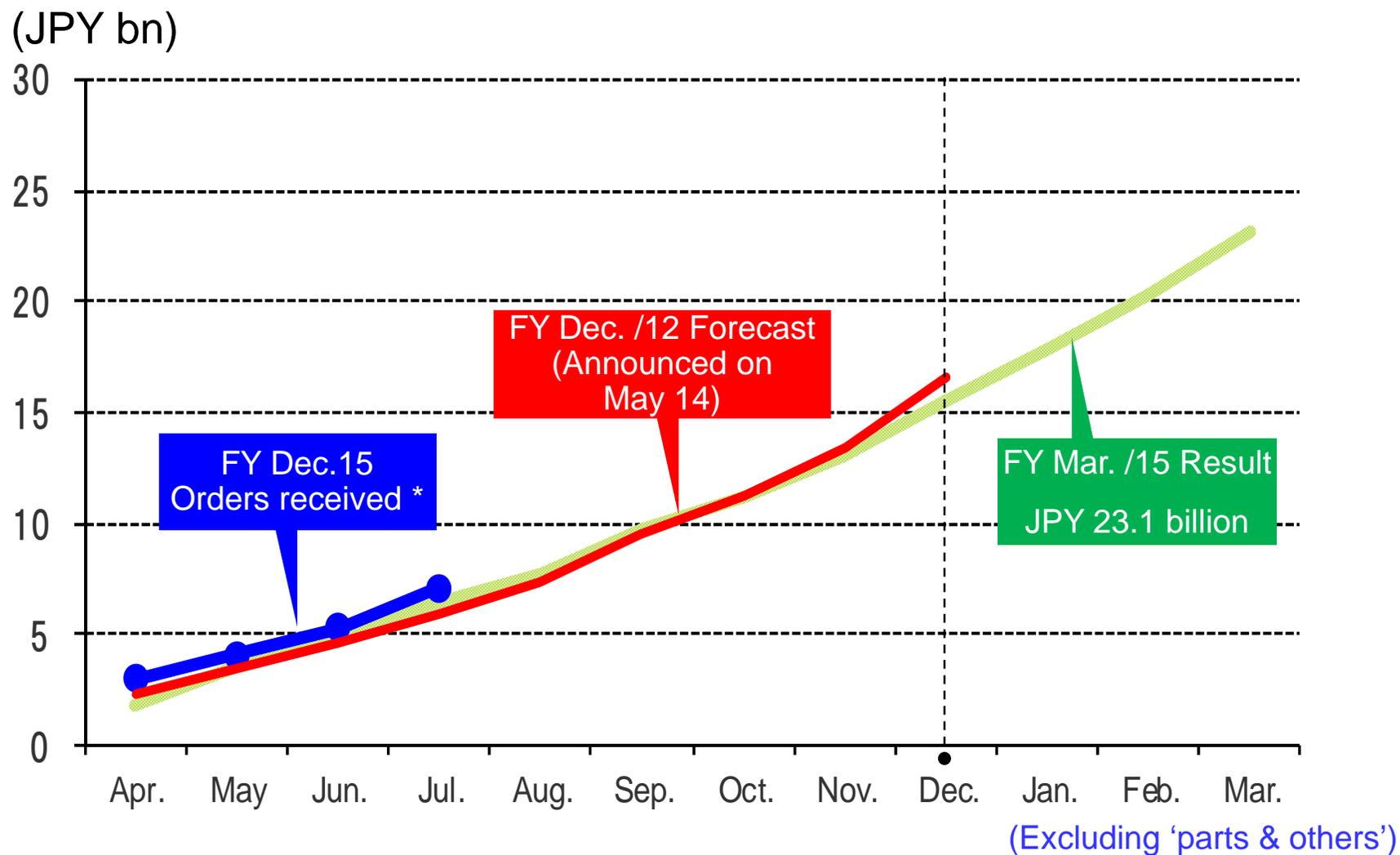
Establishment of Research Institute of Advanced Agri-business and Technology (Oct.2015)



- Proposal for agri-business
- Support for prospective farmers



Recent Market Trend in Overseas



*Note: FY Dec./15 Orders received : Shipment result (Apr.) + Orders (From May to Jul.)



Market Trend (North America)

1. Trend of Tractor Market in North America

(Unit: 1,000)

Category (PTO HP)		2013	2014	Growth rate	2014	2015	Growth rate
					Jan.-Mar.	Jan.-Mar.	
Compact Tractors PTO (40hp or below)	USA	101	109	109%	18	18	101%
	Canada	14	14	103%	2	2	102%
		114	123	108%	20	20	101%
Utility Tractors PTO (40hp or above, 100hp or below)	USA	57	61	107%	12	12	98%
	Canada	7	7	106%	1	1	92%
		64	68	107%	13	13	98%

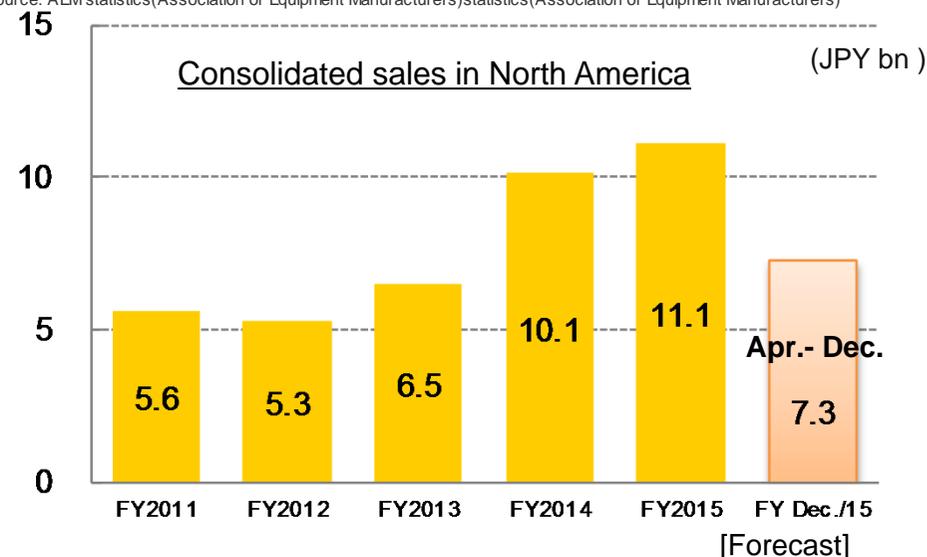
2. Our situation

- Shipment / Orders received (Apr. -Jul.):
Higher than last year
- Effective sales (Jan.-Mar.) [OEM partner]:
 - Compact : Lower than last year
 - Utility : Higher than last year



- Utility tractor: While total shipment from us is to decline this year, effective sales are expected to exceed the previous year.
- Compact (Economy) tractor : Achieve sales plan by enhanced line up and full-fledged sales efforts.

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



Market Trend (Europe)

1. Trend in European market

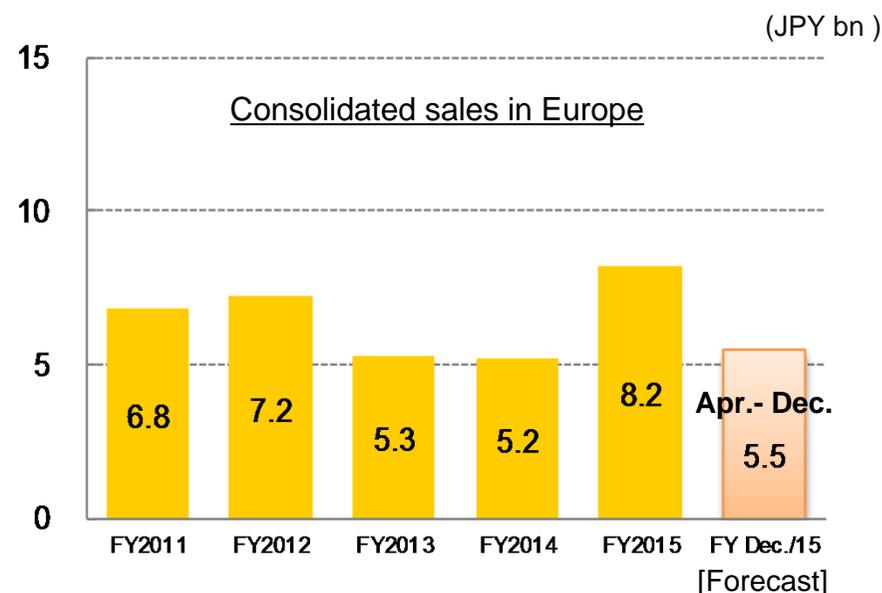
European economy: Despite signs of gradual economic recovery being visible, there still remains uncertainty.

2. Our situation

- Shipment / Orders received (Apr.– Jul.): Slightly below our plan
- Our distributors and ISEKI France holds stable sales. (from Jan.–Mar.)



Sales expansion through promoting new products, 90th anniversary campaigns, etc. as well as full-fledged operation of ISEKI France.



Market Trend (China)

1. Trend in Chinese Market

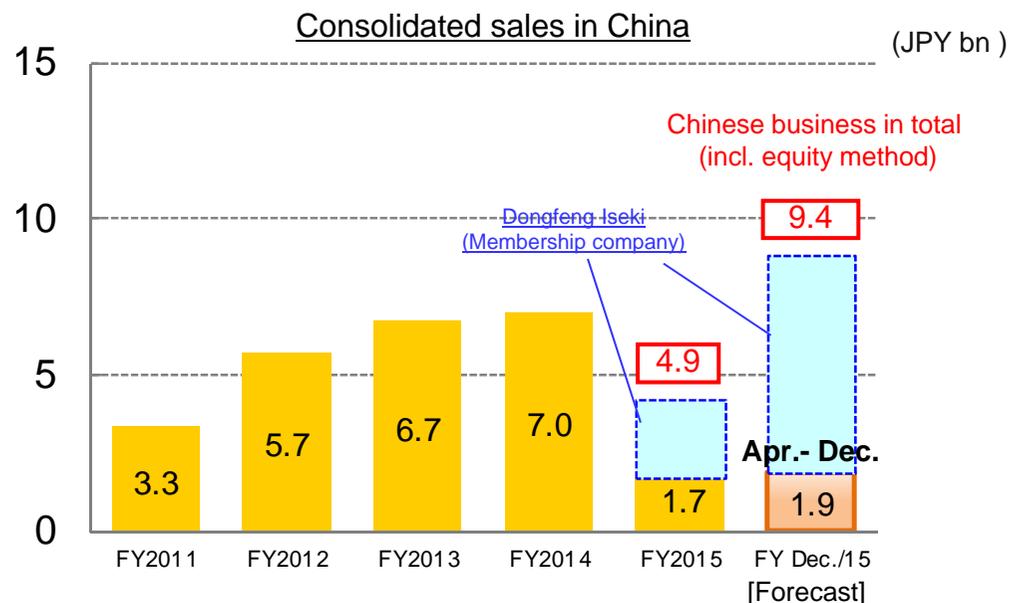
(billion of Yuan)

■ Central government subsidy

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	

2. Our Situation

Dongfeng Iseki (Jan. - Apr.):
Sales of both walking and riding rice trans planters in spring demand season maintain strong.



- Sales expansion with product line up and sales structure enhanced.
- Business expansion through construction of new plants and reinforced R&D system.



Market Trends (Asia and Oceania)

1. Market trends (ASEAN)

- Thailand: Slow recovery due to prolonged political unrest and rice policy.
- Indonesia: Market demand expected to rise by Indonesian government tender.

2. Our situation

- Thailand: Promotion for dry field farming. Favorable feedbacks to new products. Full-fledged sales through our new distributors.
- Indonesia: Introduction of all-purpose combine harvesters produced in Chinese mfg. subsidiary.



Launching competitive products mainly into Thailand, Indonesia and Vietnam by production in suitable manufacturing sites.



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



Onion harvesters for domestic market
VHU 20

Change of Fiscal Year

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

- As a transitory treatment for the FY ending Dec./15, following periods will be consolidated ;
 - a) December settlement companies (Domestic sales companies.,etc) :
12 months (From Jan. to Dec. 2015)
 - b) March settlement companies (ISEKI CO., LTD., etc) :
9 months (From Apr. to Dec. 2015)

	Year	2014												2015											
	Month	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Dec. settlement companies Domestic sales companies, etc		1Q			2Q			3Q			4Q			12 months											
Mar. settlement companies ISEKI & CO., LTD., etc					1Q			2Q			3Q			4Q			9 months								
		FY Ended Mar./15												FY Ending Dec./15											

*Note: Subject to shareholders' approval at an agenda item regarding "Partial revision of the Articles of Incorporation" at the General Meeting of Shareholders scheduled on June 24, 2015.



For Comparison of Business Performance forecast

■ FY Ended March, 2015 restated

To use the same conditions for the year-to-year comparison, the results for the fiscal year ended Mar./ 15 were restated on the comparable period basis.

FY Ended Mar./15

	Year	2014												2015		
	Month	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Dec. settlement companies Domestic sales companies, etc.		1Q			2Q			3Q			4Q					
Mar. settlement companies ISEKI & CO., LTD., etc.					1Q			2Q			3Q			4Q		
		FY Ended Mar./15														

FY Ended Mar./15 restated

	2014												2015					
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.			
	1Q			2Q			3Q			4Q								
				1Q			2Q			3Q								
				FY Ended Mar./15 restated														



Performance Forecast for FY Ending Dec./15

1. Performance Forecast for FY Ending Dec./15

(JPY bn, %)

Item	[Ref.] FY Ended Mar.			FY Ended Mar. 2015 Restated (Apr.-Dec.)	FY Ending Dec. 2015 Forecast*		Change
	2013 (Apr.-Mar.)	2014 (Apr.-Mar.)	2015 (Apr.-Mar.)		(Apr.-Dec.)	%	
Net Sales	155.7	169.1	157.4	145.7	152.0	100.0	6.3
(Domestic)	133.0	142.9	131.9	129.0	131.5	86.5	2.5
(Overseas)	22.7	26.2	25.5	16.7	20.5	13.5	3.8
Gross Profit	48.1	52.7	45.6	41.2	45.7	30.1	4.5
Operating Income	5.1	7.4	(0.5)	(0.3)	3.9	2.6	4.2
Ordinary Income	5.4	8.3	0.5	1.0	3.7	2.4	2.7
Net Income	4.0	6.4	(0.3)		2.1	1.4	

Dec. settlement companies
(Domestic sales companies, etc.)

Mar. settlement companies
(ISEKI & CO., LTD., etc.)

Jan.-Dec.	
Apr.-Mar.	

Jan.-Dec.	
Apr.-Dec.	

Jan.-Dec.	
Apr.-Dec.	

*FY Ending Dec./15 Forecast:
Forecast announced on May 14.

2. Year-End Dividend Forecast

(Yen)

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

Year Ended Mar./14 Actual	Year Ended Mar./15 Plan	Year Ending Dec./15 Forecast
4.0	3.0	3.0

Performance Forecast for FY Ending Dec./15 (Operating Income)

(JPY bn, %)

Item	[Ref.] FY Ended Mar.			FY Ended Mar. 2015 Restated (Apr.-Dec.)	FY Ending Dec. 2015 Forecast* (Apr.-Dec.)	Change
	2013 (Apr.-Mar.)	2014 (Apr.-Mar.)	2015 (Apr.-Mar.)			
Net Sales	155.7	169.1	157.4	145.7	152.0	6.3
Gross Profit	48.1	52.7	45.6	41.2	45.7	4.5
Gross Profit Margin	30.9	31.2	29.0	28.3	30.1	1.8
Operating Income	5.1	7.4	(0.5)	(0.3)	3.9	4.2
Operating Income Margin	3.3	4.4	(0.3)	(0.2)	2.6	2.8

Dec. settlement companies
(Domestic sales companies, etc.)

Mar. settlement companies
(ISEKI & CO., LTD., etc.)

Jan.	-	Dec.
Apr.	-	Mar.

Jan.	-	Dec.
Apr.	-	Mar.

Jan.	-	Dec.
Apr.	-	Mar.

* FY Ending Dec./15 Forecast: Forecast announced on May 14.

[Operating Income Increase/Decrease (Comparison w/ FY Ended Mar. /15 restated)]

• Reduced personnel expenses	: + 1.9	} Reduced expenses + 2.6
• Reduced fixed expenses	: + 0.7	
• Increased gross income due to increased sales	: + 1.6	
	<hr/>	
	: + 4.2	



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 a partner of FOOD ACTION NIPPON.

