



February 15, 2021

Name of Listed Company: ISEKI & CO., LTD.  Stock Exchange Listings: Tokyo
Company Code: 6310 (URL <http://www.iseki.co.jp>)
Representative: Title President Name Shirou Tomiyasu
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Date of the Ordinary General Meeting of Shareholders: March 30, 2021
Scheduled Date to Commence Dividend Payment: —
Date of Submission of Securities Report: March 31, 2021
Supplementary Information for Financial Results: Yes
Financial Results Briefing: Yes (for institutional investors and analysts)

Summary Announcement of Consolidated Financial Results
for the Fiscal Year Ended December 31, 2020 (Japanese GAAP)

I. Consolidated Financial Results for Fiscal Year Ended December 31, 2020 (January 1, 2020—December 31, 2020)

A. Consolidated Results of Operations (Cumulative Total)

(Rounded down to millions of yen, % indicates changes from the previous corresponding period)

	Fiscal Year Ended December 31, 2020	%	Fiscal Year Ended December 31, 2019	%
Net Sales	149,304	(0.4)	149,899	(3.9)
Operating Income	2,084	(24.1)	2,745	(13.6)
Ordinary Income	1,702	53.6	1,108	(57.8)
Profit Attributable to Owners of Parent	(5,641)	-	723	(33.7)
Earnings per Share (yen)				
Basic	(249.58)		32.01	
Diluted	-		31.96	
Return on Equity (%)	(8.8)		1.1	
Return on Assets (%)	0.9		0.6	
Operating Margin (%)	1.4		1.8	

Note: Comprehensive income

Fiscal year ended December 31, 2020: ¥(6,151) million [- %]

Fiscal year ended December 31, 2019: ¥976 million [- %]

Reference: Share of profit or loss of entities using equity method

Fiscal year ended December 31, 2020: ¥(460) million

Fiscal year ended December 31, 2019: ¥(1,472) million

B. Consolidated Financial Position

(Rounded down to millions of yen)

	As of December 31, 2020	As of December 31, 2019
Total Assets	187,428	197,511
Net Assets	62,419	69,252
Shareholder's Equity to Total Assets Ratio (%)	32.4	34.2
Net Assets per Share (yen)	2,683.14	2,987.19

Reference: Shareholder's equity

As of December 31, 2020: ¥60,657 million

As of December 31, 2019: ¥67,481 million

C. Consolidated Cash Flows

(Rounded down to millions of yen)

	Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2019
Cash Flows from Operating Activities	9,694	10,509
Cash Flows from Investing Activities	(5,167)	(7,104)
Cash Flows from Financing Activities	(2,179)	(2,396)
Cash and Cash Equivalents at End of Period	10,752	8,369

II. Dividends

	Dividend per Share (yen)					Annual Dividends (million yen)	Payout Ratio (%, consolidated)	Dividend to Net Assets Ratio (%, consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
FY Ended December 31, 2019	—	—	—	30.00	30.00	677	93.7	1.0
FY Ended December 31, 2020	—	—	—	0.00	0.00	0	—	—
FY Ending December 31, 2021 (Forecast)	—	—	—	—	—	—	—	—

The year-end dividend forecast for the fiscal year ending December 31, 2021 has been undetermined at this moment.

III. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2021 (January 1, 2021—December 31, 2021)

(Rounded down to millions of yen, % indicates changes from the previous period)

	Net Sales	%	Operating Income	%	Ordinary Income	%	Profit Attributable to Owners of Parent	%	Earnings per Share (yen)
Full Year	153,500	2.8	3,600	72.7	3,500	105.6	2,400	-	106.18

(Reference) Summary of Non-consolidated Financial Results**Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2020 (January 1, 2020—December 31, 2020)****A. Non-consolidated Results of Operations**

(Rounded down to millions of yen, % indicates changes from the previous corresponding period)

	Fiscal Year Ended December 31, 2020	%	Fiscal Year Ended December 31, 2019	%
Net Sales	79,251	(12.0)	90,016	(3.3)
Operating Income	(1,358)	—	992	97.7
Ordinary Income	(257)	—	2,241	(4.9)
Profit	(13,291)	—	1,555	(11.5)
Earnings per Share (yen)				
Basic	(588.04)		—	
Diluted	68.84		68.74	

B. Non-consolidated Financial Position

(Rounded down to millions of yen)

	As of December 31, 2020	As of December 31, 2019
Total Assets	111,470	130,122
Net Assets	44,489	58,929
Shareholder's Equity to Total Assets Ratio (%)	39.9	45.2
Net Assets per Share (yen)	1,966.29	2,605.24

Reference: Shareholder's equity

As of December 31, 2020: ¥44,451 million

As of December 31, 2019: ¥58,853 million

- * These financial results are outside the scope of audit to be performed by certified public accountants or an audit corporation.
- * Explanation on the proper use of financial results forecasts and other notes
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.

1. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2019	As of December 31, 2020
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Assets		
Current assets		
Cash and deposits	8,404	10,787
Notes and accounts receivable - trade	19,675	21,780
Merchandise and finished goods	46,426	43,881
Work in process	6,580	6,775
Raw materials and supplies	1,171	1,189
Other	4,952	5,599
Allowance for doubtful accounts	(52)	(35)
Total current assets	87,159	89,979
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	26,050	25,212
Machinery, equipment and vehicles, net	9,236	7,516
Tools, furniture and fixtures, net	3,191	2,902
Land	50,759	44,690
Leased assets, net	8,006	5,340
Construction in progress	1,066	596
Other, net	34	28
Total property, plant and equipment	98,346	86,287
Intangible assets	1,288	1,967
Investments and other assets		
Investment securities	5,303	4,609
Long-term loans receivable	1,620	42
Deferred tax assets	1,512	2,152
Net defined benefit asset	500	397
Other	1,908	2,129
Allowance for doubtful accounts	(128)	(136)
Total investments and other assets	10,717	9,193
Total non-current assets	110,352	97,449
Total assets	197,511	187,428

As of December 31, 2019 As of December 31, 2020

Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,142	20,206
Electronically recorded obligations - operating	15,610	16,666
Short-term loans payable	28,633	29,781
Current portion of long-term loans payable	10,717	7,679
Lease obligations	2,057	1,999
Accrued consumption taxes	665	1,636
Income taxes payable	356	438
Accrued expenses	4,116	4,381
Provision for bonuses	443	425
Other	4,990	2,933
Total current liabilities	89,735	86,147
Non-current liabilities		
Long-term loans payable	21,525	24,114
Lease obligations	6,390	5,776
Deferred tax liabilities	55	57
Deferred tax liabilities for land revaluation	5,759	4,097
Provision for directors' retirement benefits	140	145
Net defined benefit liability	3,059	3,144
Asset retirement obligations	325	322
Other	1,267	1,203
Total non-current liabilities	38,524	38,861
Total liabilities	128,259	125,009
Net assets		
Shareholders' equity		
Capital stock	23,344	23,344
Capital surplus	13,452	13,449
Retained earnings	17,025	14,493
Treasury shares	(982)	(941)
Total shareholders' equity	52,840	50,346
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	380	(91)
Deferred gains or losses on hedges	(0)	(2)
Revaluation reserve for land	12,622	8,835
Foreign currency translation adjustment	648	588
Remeasurements of defined benefit plans	989	980
Total accumulated other comprehensive income	14,641	10,310
Subscription rights to shares	75	37
Non-controlling interests	1,694	1,724
Total net assets	69,252	62,419
Total liabilities and net assets	197,511	187,428

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended December 31, 2019	Fiscal year ended December 31, 2020
Net sales	149,899	149,304
Cost of sales	105,392	105,828
Gross profit	44,507	43,476
Selling, general and administrative expenses	41,761	41,392
Operating income	2,745	2,084
Non-operating income		
Interest income	192	172
Dividend income	204	162
Subsidies received	48	33
Rent income	173	177
Gain on sales of scraps	78	41
Other	548	652
Total non-operating income	1,244	1,240
Non-operating expenses		
Interest expenses	729	634
Sales discounts	88	84
Foreign exchange losses	115	63
Share of loss of entities accounted for using equity method	1,472	460
Other	476	379
Total non-operating expenses	2,881	1,621
Ordinary income	1,108	1,702
Extraordinary income		
Gain on sales of non-current assets	29	28
Gain on sales of investment securities	243	0
Reversal of provision incurred from business combination	265	—
Gain on change in equity	—	650
Total extraordinary income	538	679
Extraordinary losses		
Loss on sales and retirement of non-current assets	220	193
Impairment loss	122	9,301
Loss on valuation of investment securities	1	—
Loss on sale of investment securities	—	0
Other	0	0
Total extraordinary losses	344	9,496
Income (loss) before income taxes	1,302	(7,114)
Income taxes - current	477	606
Income taxes - deferred	83	(2,116)
Total income taxes	560	(1,510)
Profit (loss)	741	(5,604)
Profit attributable to non-controlling interests	18	36
Profit (loss) attributable to owners of parent	723	(5,641)

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended December 31, 2019	Fiscal year ended December 31, 2020
Profit (loss)	741	(5,604)
Other comprehensive income		
Valuation difference on available-for-sale securities	(38)	(472)
Deferred gains or losses on hedges	0	(2)
Foreign currency translation adjustment	(168)	49
Remeasurements of defined benefit plans, net of tax	488	(9)
Share of other comprehensive income of entities accounted for using equity method	(47)	(112)
Total other comprehensive income	234	(547)
Comprehensive income	976	(6,151)
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	958	(6,185)
Comprehensive income attributable to non-controlling interests	17	33

(3) Consolidated Statements of Changes in Equity

Fiscal year ended December 31, 2019 (January 1, 2019—December 31, 2019)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	23,344	13,452	16,932	(983)	52,746
Changes of items during period					
Dividends of surplus			(677)		(677)
Profit attributable to owners of parent			723		723
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(0)		2	2
Reversal of revaluation reserve for land			48		48
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(0)	93	1	94
Balance at end of period	23,344	13,452	17,025	(982)	52,840

	Accumulated other comprehensive income						Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	418	(0)	12,670	864	501	14,454	78	1,681	68,959
Changes of items during period									
Dividends of surplus									(677)
Profit attributable to owners of parent									723
Purchase of treasury shares									(0)
Disposal of treasury shares									2
Reversal of revaluation reserve for land									48
Net changes of items other than shareholders' equity	(38)	0	(48)	(215)	488	186	(2)	13	198
Total changes of items during period	(38)	0	(48)	(215)	488	186	(2)	13	292
Balance at end of period	380	(0)	12,622	648	989	14,641	75	1,694	69,252

Fiscal year ended December 31, 2020 (January 1, 2020—December 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	23,344	13,452	17,025	(982)	52,840
Changes of items during period					
Dividends of surplus			(677)		(677)
Profit attributable to owners of parent			(5,641)		(5,641)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(3)		41	38
Reversal of revaluation reserve for land			3,787		3,787
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(3)	(2,532)	41	(2,494)
Balance at end of period	23,344	13,449	14,493	(941)	50,346

	Accumulated other comprehensive income						Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	380	(0)	12,622	648	989	14,641	75	1,694	69,252
Changes of items during period									
Dividends of surplus									(677)
Profit attributable to owners of parent									(5,641)
Purchase of treasury shares									(0)
Disposal of treasury shares									38
Reversal of revaluation reserve for land									3,787
Net changes of items other than shareholders' equity	(471)	(2)	(3,787)	(59)	(9)	(4,330)	(38)	29	(4,339)
Total changes of items during period	(471)	(2)	(3,787)	(59)	(9)	(4,330)	(38)	29	(6,833)
Balance at end of period	(91)	(2)	8,835	588	980	10,310	37	1,724	62,419

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended December 31, 2019	Fiscal year ended December 31, 2020
Cash flows from operating activities		
Income(loss) before income taxes	1,302	(7,114)
Depreciation	6,852	6,987
Impairment loss	122	9,301
Amortization of goodwill	2	2
Increase (decrease) in net defined benefit liability	(993)	46
Loss (gain) on sales of investment securities	(243)	0
Interest and dividend income	(396)	(335)
Interest expenses	729	634
Foreign exchange losses (gains)	(0)	(29)
Loss (gain) on sales of property, plant and equipment and intangible assets	190	164
Loss (gain) on change in equity	—	(650)
Decrease (increase) in notes and accounts receivable - trade	3,528	(1,807)
Decrease (increase) in inventories	(778)	3,299
Increase (decrease) in notes and accounts payable - trade	(1,867)	(884)
Other, net	2,851	872
Subtotal	11,299	10,486
Interest and dividend income received	396	343
Interest expenses paid	(733)	(635)
Income taxes paid	(452)	(500)
Net cash provided by (used in) operating activities	10,509	9,694
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(8,354)	(6,626)
Proceeds from sales of property, plant and equipment and intangible assets	556	329
Acquisition of investment securities	(0)	(55)
Proceeds from sales of investment securities	638	45
Decrease (increase) in loans receivable	(4)	1,174
Decrease (increase) in time deposits	53	(0)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	24
Other, net	7	(59)
Net cash provided by (used in) investing activities	(7,104)	(5,167)

(Millions of yen)

	Fiscal year ended December 31, 2019	Fiscal year ended December 31, 2020
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(2,697)	87
Proceeds from long-term loans payable	12,176	10,900
Repayments of long-term loans payable	(11,902)	(11,288)
Proceeds from sales and leasebacks	3,058	912
Repayments of lease obligations	(2,346)	(2,108)
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(680)	(678)
Dividends paid to non-controlling interests	(4)	(3)
Net cash provided by (used in) financing activities	(2,396)	(2,179)
Effect of exchange rate change on cash and cash equivalents	(26)	36
Net increase (decrease) in cash and cash equivalents	981	2,383
Cash and cash equivalents at beginning of period	7,387	8,369
Cash and cash equivalents at end of period	8,369	10,752

(5) Notes to Consolidated Financial Statements
(Notes to Going Concern Assumption)
Not applicable