




November 11, 2016

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Date of Submission of Quarterly Report: November 11, 2016
 Scheduled Date to Commence Dividend Payment: —
 Supplementary Information for Quarterly Financial Results: Yes
 Quarterly Financial Results Briefing: Yes (for institutional investors and analysts)

Summary Announcement of Consolidated Financial Results
for the Nine Months Ended September 30, 2016 (Japanese GAAP)

I. Financial Results for the Nine Months Ended September 30, 2016 (January 1, 2016—September 30, 2016)

A. Results of Operations

(Rounded down to a million yen, % indicates changes from the previous period)

	Nine Months Ended September 30, 2016	%	Nine Months Ended September 30, 2015	%
Net Sales	118,437	—	—	—
Operating Income	2,765	—	—	—
Ordinary Income	1,610	—	—	—
Profit Attributable to Owners of Parent	711	—	—	—
Profit per Share (yen)				
Non-diluted	3.15		—	
Fully Diluted	3.14		—	

Note: Comprehensive income

Nine months ended September 30, 2016: -¥2,003 mil. (—%)

Nine months ended September 30, 2015: ¥— mil. (—%)

The fiscal year of the Company, previously from April 1 to March 31 of the following year, has been changed to January 1 to December 31 of the year, effective as of the fiscal year ended December 31, 2015. Accordingly, year-on-year changes for the nine months ended September 30, 2016 and results of Operations for the nine months ended September 30, 2015 are not given since consolidated financial statements have not been prepared for the nine months ended September 30, 2015.

B. Financial Position

(Rounded down to a million yen)

	As of September 30, 2016	As of December 31, 2015
Total Assets	208,289	201,149
Net Assets	65,751	68,099
Shareholders' Equity to Total Assets Ratio (%)	30.8	33.0
Net Assets per Share (yen)	283.61	293.87

Reference: Shareholders' equity

As of September 30, 2016: ¥64,061 mil.

As of December 31, 2015: ¥66,380 mil.

II. Dividends

(Yen)

	Dividend per Share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
FY Ended December 31, 2015	—	—	—	1.50	1.50
FY Ending December 31, 2016	—	—	—		
FY Ending December 31, 2016 (Forecast)				1.50– 3.00	1.50– 3.00

Note: Revision of the most recently announced dividend forecast: None

III. Forecast for the Fiscal Year Ending December 31, 2016 (January 1, 2016 – December 31, 2016)

(Rounded down to a million yen, % indicates changes from the previous period)

	Net Sales	%	Operating Income	%	Ordinary Income	%	Profit Attributable to Owners of Parent	%	Profit per Share (yen)
Full Year	155,500	—	2,800	—	2,000	—	700	—	3.10

Note: Revision of the most recently announced performance forecast: Yes

Due to the change in the fiscal year of the Company, the fiscal year ended December 31, 2015 is a nine-month period from April 1, 2015 to December 31, 2015. Because year-on-year comparisons are impossible, percentage changes year on year are left blank.

* Notes

- A Changes in important subsidiaries during the period (change in specified subsidiaries which accompanies a change in the range of consolidation): None
- B Adoption of unique accounting method for preparing the quarterly consolidated financial statements: None
- C Change in accounting policy, change in accounting estimates and restatements
- 1) Change in accounting policy in response to revision of accounting standards: None
 - 2) Change in accounting policy other than 1): None
 - 3) Change in accounting estimates: None
 - 4) Restatements: None
- D Outstanding shares (common shares)
- 1) Outstanding shares (including treasury shares)

As of September 30, 2016	229,849,936 shares
As of December 31, 2015	229,849,936 shares
 - 2) Outstanding treasury shares

As of September 30, 2016	3,971,968 shares
As of December 31, 2015	3,964,166 shares
 - 3) Average number of shares during the period

Nine months ended September 30, 2016	225,882,597 shares
Nine months ended September 30, 2015	— shares

Note: The fiscal year of the Company, previously from April 1 to March 31 of the following year, has been changed to January 1 to December 31 of the year, effective as of the fiscal year ended December 31, 2015. Accordingly, the average number of shares during the nine months ended September 30, 2015 is not given since consolidated financial statements have not been prepared for the nine months ended September 30, 2015.

*Statement regarding implementation of the quarterly review procedure

Although the summary of quarterly financial results is exempt from the quarterly review procedure required under the Financial Instruments and Exchange Act, we have completed the review procedure of the financial statements at the time of disclosure.

*Statement regarding the proper use of financial performance forecast and other notes

The forecast for operating results has been determined based on information presently available, as well as on the assumptions that the Company believes to be reasonable. It is possible that in the future, actual results may differ from the anticipated figures for a variety of reasons. Please refer to “1. Qualitative Information Regarding Financial Results for the Period” on page 2 of the supplementary material for the assumptions underlying the forecast and precautions when using the forecast.

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1. Qualitative Information Regarding Financial Results for the Period

(1) Explanation Regarding Business Performance

During the nine months ended September 30, 2016, the Japanese economy saw a continued appreciation of the yen and sluggish growth of consumer spending. Therefore, a full-fledged economic recovery is believed to take some time. Furthermore, although the European and U.S. economies remain on a robust recovery trend on the back of improvements in the employment situation, there is uncertainty over the outlook of the world economy due to the continued deceleration of growth of the Chinese economy since last year and the U.K.'s decision to leave the EU.

With regard to the environment surrounding agriculture in Japan, the demand environment remained at a low level, despite a rise in the price of rice since last year.

Under such circumstances, the ISEKI Group continued its efforts to increase sales volume in Japan by launching new products and enhancing customer service, while it endeavored to expand sales overseas in its core markets of North America, Europe, China and the ASEAN region by strengthening marketing. As a result, the Group's business performance can be summarized as follows.

The fiscal year of the Company, previously from April 1 to March 31 of the following year, has been changed to January 1 to December 31 of the year, effective as of the fiscal year ended December 31, 2015. Accordingly, the previous fiscal year, which is the transitional period of the fiscal year change, is nine months from April 1, 2015 to December 31, 2015. Therefore, the operating results for the nine months ended September 30, 2016 are compared below with the operating results for January 1, 2015 to September 30, 2015, the same period of the previous year.

	(Millions of yen, %)			
	Net Sales	Operating Income	Ordinary Income	Profit Attributable to Owners of Parent
Nine Months Ended September 30, 2016	118,437	2,765	1,610	711
(Reference) Same Period of the Previous Year	117,687	1,101	885	
Adjusted Year-on-year Change	0.6%	151.0%	82.0%	

During the nine months ended September 30, 2016, net sales increased ¥750 million from the same period of the previous year to ¥118,437 million (up 0.6%). Domestic sales amounted to ¥91,929 million, down ¥1,071 million (1.2%) from the same period of the previous year. This was due to a decrease in sales of other agriculture-related business (construction of facilities, etc.), although sales of the agricultural machinery-related business in general, including farming implements, spare parts, and repair fees, increased despite a drop in sales of agricultural machinery due to weak recovery in demand for agricultural machinery. Overseas sales increased ¥1,821 million (7.4%) from the same period of the previous year to ¥26,507 million, due to an increase in shipments of semi-finished tractors to China, the full-scale sale of which started from this fiscal year, as well as strong shipments of tractors in ASEAN to Indonesia and Thailand, despite an impact from changes in exchange rates owing to yen appreciation.

Operating income totaled ¥2,765 million, up ¥1,663 million (151.0%) from the same period of the previous year, due to a significant reduction in expenses through full enforcement of low-cost operations, as well as a cut in personnel expenses.

Ordinary income amounted to ¥1,610 million, up ¥725 million (82.0%) from the same period of the previous year, despite the recording of foreign exchange losses and share of loss of entities accounted for using equity method.

Profit attributable to owners of parent ended at ¥711 million due to the recording of a gain on sale of investment securities, despite posting a loss on disaster.

Sales by product are as follows.

[Domestic]

Sales of cultivating & mowing machinery (tractors, high-clearance multipurpose vehicles, etc.) were ¥21,322 million (down 6.0% from the same period of the previous year), and sales of planting machinery (rice transplanters and vegetable transplanters) were ¥7,401 million (down 5.2%). Sales of harvesting and processing machinery (combine harvesters, etc.) were ¥14,277 million (up 0.5%). Sales of spare parts and farming implements, and repair fees were ¥29,674 million (up 6.1%). Sales of other agriculture-related business (construction of facilities, etc.) were ¥19,253 million (down 5.3%).

[Overseas]

Sales of cultivating & mowing machinery (tractors, etc.) were ¥20,279 million (down 0.2% from the same period of the previous year), and sales of planting machinery (rice transplanters, etc.) were ¥2,847 million (up 64.5%). Sales of harvesting and processing machinery (combine harvesters, etc.) were ¥308 million (down 3.5%). Sales of spare parts

and farming implements were ¥1,592 million (down 12.6%). Sales of other agriculture-related business were ¥1,478 million (up 202.9%).

(2) Explanation Regarding Financial Position

Total assets as of September 30, 2016 increased ¥7,140 million from December 31, 2015 to ¥208,289 million.

Looking at the breakdown, current assets increased ¥12,284 million and non-current assets decreased ¥5,144 million. The changes mainly resulted from a ¥5,678 million increase in cash and deposits, an ¥8,701 million increase in notes and accounts receivable-trade, a ¥1,429 million decrease in other under current assets, a ¥3,370 million decrease in investment securities, and a ¥1,565 million decrease in other under investments and other assets.

Total liabilities increased ¥9,487 million from December 31, 2015 to ¥142,538 million. The change resulted mainly from a ¥12,956 million increase in short-term and long-term loans payable, a ¥2,268 million decrease in other under current liabilities, and a ¥2,125 million decrease in other under non-current liabilities.

Net assets decreased ¥2,347 million from December 31, 2015 to ¥65,751 million, mainly due to the recording of a ¥2,030 million decrease in valuation difference on available-for-sale securities, a ¥1,170 million decrease in foreign currency translation adjustment, ¥711 million in profit attributable to owners of parent, and ¥338 million in dividends of surplus.

(3) Explanation Regarding Forward-looking Statements Including Consolidated Performance Forecast

Consolidated sales for the nine months ended September 30, 2016 increased from the same period of the previous year, as the drop in domestic revenue was compensated by an increase in overseas revenue. The decrease in gross profit due to the decline in domestic sales and the appreciation of the yen was offset by a thorough reduction in expenses, while the impact of the loss on disaster following the Kumamoto Earthquake that occurred in April was cancelled out by recording a gain on sale of investment securities as extraordinary income. As a result, profits increased from the same period of the previous year.

Going forward, we expect demand for agricultural machinery in Japan to remain at a low level. Through Dream Agricultural Research Institute, an institute for research, verification and dissemination of advanced agricultural technology, as well as services at large-scale maintenance facilities in the local regions, we will continue to strive to expand sales by further strengthening our capabilities to support customers and provide high-quality marketing services. In overseas markets, we will focus on further expanding the sales of strategic products introduced in North America, Europe, China and major markets in the ASEAN region. Furthermore, we will strive for further sales expansion at Dongfeng Iseki Agricultural Machinery Co., Ltd., an affiliate accounted for by the equity method, and other overseas affiliates. In terms of income, we will aim to achieve our profit target through a reduction of expenses by fully enforcing low-cost operations.

As for the consolidated business performance forecast for the fiscal year ending December 31, 2016, we have revised our forecast announced on August 10, 2016 downward in light of operating results up to the third quarter and the deterioration of exchange rates. Please refer to the “Notice of revision of consolidated business performance forecast for the fiscal year ending December 31, 2016” announced on November 11, 2016 for matters concerning the revision of forecast figures.

The foreign exchange rate assumptions, which are used to determine the business performance forecast, are unchanged from the previous year at ¥105 per U.S. dollar and ¥115 per euro.

2. Matters Concerning Summary Information (Notes)

(1) Changes in Important Subsidiaries during the Period

Not applicable

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	FY ended December 31, 2015 (as of Dec. 31, 2015)	3Q of FY ending December 31, 2016 (as of Sep. 30, 2016)
Assets		
Current assets		
Cash and deposits	8,788	14,467
Notes and accounts receivable-trade	24,895	33,596
Merchandise and finished goods	40,600	40,000
Work in process	5,856	6,014
Raw materials and supplies	1,359	1,179
Other	5,327	3,898
Allowance for doubtful accounts	(56)	(101)
Total current assets	86,771	99,056
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,957	23,403
Land	50,657	50,654
Other, net	23,296	22,658
Total property, plant and equipment	96,911	96,716
Intangible assets	1,134	1,078
Investments and other assets		
Investment securities	8,569	5,198
Other	8,062	6,497
Allowance for doubtful accounts	(300)	(257)
Total investments and other assets	16,331	11,438
Total non-current assets	114,377	109,233
Total assets	201,149	208,289

(Millions of yen)

	FY ended December 31, 2015 (as of Dec. 31, 2015)	3Q of FY ending December 31, 2016 (as of Sep. 30, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	29,400	29,897
Electronically recorded obligations-operating	10,604	10,319
Short-term loans payable	24,389	31,932
Current portion of long-term loans payable	8,641	8,859
Income taxes payable	438	936
Provision for bonuses	467	779
Provision for loss on disaster	—	289
Other	13,575	11,307
Total current liabilities	87,518	94,322
Non-current liabilities		
Long-term loans payable	23,703	28,899
Deferred tax liabilities for land revaluation	6,074	5,790
Provision for directors' retirement benefits	107	106
Net defined benefit liability	4,806	4,689
Asset retirement obligations	304	320
Other	10,534	8,409
Total non-current liabilities	45,532	48,215
Total liabilities	133,050	142,538
Net assets		
Shareholders' equity		
Capital stock	23,344	23,344
Capital surplus	13,454	13,454
Retained earnings	13,514	13,887
Treasury shares	(988)	(989)
Total shareholders' equity	49,325	49,696
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,509	479
Deferred gains or losses on hedges	1	(1)
Revaluation reserve for land	12,401	12,686
Foreign currency translation adjustment	1,425	254
Remeasurements of defined benefit plans	717	945
Total accumulated other comprehensive income	17,055	14,365
Subscription rights to shares	91	91
Non-controlling interests	1,626	1,598
Total net assets	68,099	65,751
Total liabilities and net assets	201,149	208,289

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

Consolidated Statements of Income

For the Nine Months Ended September 30, 2016

(Millions of yen)

	3Q of FY ending December 31, 2016 (Jan. 1, 2016–Sep. 30, 2016)
Net sales	118,437
Cost of sales	83,846
Gross profit	34,590
Selling, general and administrative expenses	31,825
Operating income	2,765
Non-operating income	
Interest income	106
Dividend income	149
Other	707
Total non-operating income	963
Non-operating expenses	
Interest expenses	458
Foreign exchange losses	569
Share of loss of entities accounted for using equity method	631
Other	457
Total non-operating expenses	2,118
Ordinary income	1,610
Extraordinary income	
Gain on sales of non-current assets	36
Gain on sales of investment securities	1,113
Total extraordinary income	1,150
Extraordinary losses	
Loss on sales and retirement of non-current assets	94
Impairment loss	47
Loss on disaster	1,120
Total extraordinary losses	1,263
Income before income taxes	1,497
Income taxes-current	1,271
Income taxes-deferred	(470)
Total income taxes	801
Profit	696
Loss attributable to non-controlling interests	(14)
Profit attributable to owners of parent	711

Consolidated Statements of Comprehensive Income
For the Nine Months Ended September 30, 2016

(Millions of yen)

	3Q of FY ending December 31, 2016 (Jan. 1, 2016–Sep. 30, 2016)
Profit	696
Other comprehensive income	
Valuation difference on available-for-sale securities	(2,029)
Deferred gains or losses on hedges	(2)
Revaluation reserve for land	284
Foreign currency translation adjustment	(440)
Remeasurements of defined benefit plans, net of tax	228
Share of other comprehensive income of entities accounted for using equity method	(740)
Total other comprehensive income	(2,699)
Comprehensive income	(2,003)
(Comprehensive income attributable to)	
Comprehensive income attributable to owners of parent	(1,978)
Comprehensive income attributable to non-controlling interests	(24)

**(3) Notes Regarding the Consolidated Financial Statements
(Notes Regarding the Going Concern Assumption)**

Not applicable

(Notes Regarding Significant Changes in Shareholders' Equity)

Not applicable