



May 15, 2017

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 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 Three Months Ended March 31, 2017 (Japanese GAAP)**

I. Consolidated Financial Results for the Three Months Ended March 31, 2017 (January 1, 2017—March 31, 2017)

A. Consolidated Results of Operations (Cumulative Total)

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

	Three Months Ended March 31, 2017	%	Three Months Ended March 31, 2016	%
Net Sales	36,679	(2.6)	37,671	—
Operating Income	(273)	—	(394)	—
Ordinary Income	(356)	—	(663)	—
Profit (Loss) Attributable to Owners of Parent	(633)	—	(583)	—
Earnings per Share (yen)				
Basic	(2.80)		(2.58)	
Diluted	—		—	

Note: Comprehensive income

Three months ended March 31, 2017: ¥(875) million [—%]

Three months ended March 31, 2016: ¥(1,777) million [—%]

Note: The Company has changed its balance sheet date from March 31 to December 31 since the fiscal year ended December 31, 2015. Percentage changes from the previous corresponding period are not stated, as the first three months of the fiscal year ended December 31, 2016 (January 1, 2016 through March 31, 2016) do not correspond to the first three months of the fiscal year ended December 31, 2015 (April 1, 2015 through June 30, 2015).

B. Consolidated Financial Position

(Rounded down to a million yen)

	As of March 31, 2017	As of December 31, 2016
Total Assets	210,935	203,356
Net Assets	65,934	67,151
Shareholder's Equity to Total Assets Ratio (%)	30.4	32.2
Net Assets per Share (yen)	284.33	289.68

Reference: Shareholder's equity

As of March 31, 2017: ¥64,221 million

As of December 31, 2016: ¥65,430 million

II. Dividends

	Dividend per Share(yen)				
	1Q-end	2Q-end	3Q-end	Year-end	Total
FY Ended December 31, 2016	—	—	—	1.50	1.50
FY Ending December 31, 2017	—				
FY Ending December 31, 2017 (Forecast)		—	—	15.00 – 30.00	15.00 – 30.00

Note: Revision of the most recently announced dividend forecast: No

* The Company will consolidate shares of its common stock (one-for-ten share consolidation), effective July 1, 2017. The amount stated for the year-end dividends per share for the fiscal year ending December 31, 2017 (Forecast) is determined in consideration of the effect of the said share consolidation. The year-end dividends per share for the fiscal year ending December 31, 2017 (Forecast) not considering the share consolidation will be ¥1.50 through ¥3.00. For details, please see the “Explanation on the proper use of financial results forecasts and other notes.”

III. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2017 (January 1, 2017 – December 31, 2017)

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

	Net Sales	%	Operating Income	%	Ordinary Income	%	Profit Attributable to Owners of Parent	%	Earnings per Share (yen)
First Half	81,200	0.2	1,900	8.5	2,200	74.0	1,300	135.0	57.55
Full Year	161,500	5.5	3,500	41.7	3,700	126.2	2,700	214.5	119.54

Note: Revision of the most recently announced financial results forecast: No

* The Company will consolidate shares of its common stock (one-for-ten share consolidation), effective July 1, 2017. Therefore, earnings per share for the first half and full year are both calculated based on the number of shares issued after the share consolidation. For details, please see the “Explanation on the proper use of financial results forecasts and other notes.”

* Notes

A. Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in the scope of consolidation): No

New: – (), Exclusion: – ()

B. Adoption of special accounting treatment for preparing the quarterly consolidated financial statements: No

C. Changes in accounting policies, changes in accounting estimates and restatements

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|--|----|
| 1) Changes in accounting policies due to the revision of accounting standards, etc.: | No |
| 2) Any changes other than 1) above: | No |
| 3) Changes in accounting estimates: | No |
| 4) Restatements: | No |

D. Total number of shares issued (common stock)

1) Total number of shares issued at the end of the period (including treasury shares):

As of March 31, 2017	229,849,936 shares
As of December 31, 2016	229,849,936 shares

2) Total number of treasury shares at the end of the period:

As of March 31, 2017	3,976,486 shares
As of December 31, 2016	3,976,123 shares

3) Average number of shares during the period (cumulative total):

Three months ended March 31, 2017	225,873,628 shares
Three months ended March 31, 2016	225,885,330 shares

* These quarterly financial results are outside the scope of quarterly review procedures.

* 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. For details on the preconditions on the financial results forecasts of the Company and notes on the use of financial results forecasts, please see “1. Qualitative Information on Consolidated Financial Results for the Period under Review” on page 2 of the Appendix.

(Dividends and financial results forecast after share consolidation)

At the 93rd Ordinary General Meeting of Shareholders held on March 30, 2017, it was approved that shares of the Company’s common stock would be consolidated (one-for-ten share consolidation), effective July 1, 2017. Concurrently, we will also revise the number of shares constituting one unit of stock from 1,000 to 100, effective on the same date. The forecast of dividends and consolidated financial results for the fiscal year ending December 31, 2017 calculated on a pre-consolidation basis is as follows.

1. Dividend forecast of for the fiscal year ending December 31, 2017

Dividends per share	Year-end	¥1.50 - ¥3.00
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2. Consolidated financial results forecast for the fiscal year ending December 31, 2017

Earnings per share	First half	¥5.76
	Full year	¥11.95

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1. Qualitative Information on Consolidated Financial Results for the Period under Review

(1) Explanation on Results of Operations

During the three months ended March 31, 2017, the Japanese economy saw corporate earnings and employment on a recovery track despite some lingering weakness in the recovery of consumer spending. In addition, the recovery of the economy in Europe and the U.S. continued to be strong, with signs of a pick-up in the Chinese economy buoyed by public investment, all contributing to an overall picture of modest recovery.

On the other hand, in the domestic agricultural environment, the market for agricultural machinery is bottoming out and could potentially move into a recovery phase on the back of ongoing structural changes in the industry.

Under these circumstances, the ISEKI Group continued its initiatives to expand sales volume mainly by launching new products and improving customer service in Japan, while working to strengthen its sales in its mainstay overseas markets of North America, Europe, China and ASEAN. As a result, the Group's consolidated financial results are summarized as follows.

Net sales for the three months ended March 31, 2017 were ¥36,679 million, a decrease of ¥992 million (2.6%) year on year. Domestic sales in Japan were ¥28,531 million, an increase of ¥362 million (1.3%) year on year, as a result of increased sales of farming implements and construction of facilities offsetting the effects of decreased sales of agricultural machinery caused by sluggish sales of OEM products. Overseas sales were ¥8,147 million, a decrease of ¥1,354 million (14.3%) year on year. This was due to changes in business terms with an OEM partner in North America and deferred sales of the off-demand season in Europe (France), despite ongoing robust shipments for China and ASEAN, which are the growth drivers for the Company.

The Group's business is susceptible to seasonal fluctuations. In the three months ended March 31, 2017 which is the off-demand season, we recorded loss in all income items from operating income and below.

Operating loss was ¥273 million, an increase of ¥120 million year on year, as a result of ongoing cost reductions offsetting a decrease in gross profit from decline in net sales.

Ordinary loss was ¥356 million, an increase of ¥307 million year on year, mainly due to a decrease in foreign exchange losses and an upturn in the share of profit or loss of entities using the equity method stemming from better results at an equity-method affiliate in China.

Loss attributable to owners of parent was ¥633 million, a decrease of ¥50 million year on year, mainly resulting from the lack of gain on sales of investment securities recorded in the previous fiscal year.

Sales by product are as follows.

[Domestic]

Sales of cultivating and mowing machinery (tractors, high-clearance multipurpose vehicles, among others) were ¥7,618 million (a decrease of 0.9% year on year). Sales of planting machinery (rice transplanters and vegetable transplanters) were ¥1,914 million (a decrease of 20.3% year on year). Sales of harvesting and processing machinery (combine harvesters, among others) were ¥2,962 million (a decrease of 1.5% year on year). Sales of farming implements, spare parts and repair fees were ¥8,423 million (an increase of 4.3% year on year). Sales of other agriculture-related business (construction of facilities, among others) were ¥7,612 million (an increase of 8.9% year on year).

[Overseas]

Sales of cultivating and mowing machinery (tractors, among others) were ¥4,171 million (a decrease of 38.1% year on year). Sales of planting machinery (rice transplanters, among others) were ¥2,250 million (an increase of 10.9% year on year). Sales of harvesting and processing machinery (combine harvesters, among others) were ¥754 million. Sales of farming implements and spare parts were ¥571 million (an increase of 4.5% year on year). Sales of other agriculture-related business were ¥399 million (an increase of 114.1% year on year).

(2) Explanation on Financial Position

Total assets at the end of the first quarter ended March 31, 2017 increased by ¥7,578 million from the end of the previous fiscal year to ¥210,935 million.

Current assets increased by ¥8,083 million, while non-current assets decreased by ¥504 million. This was mainly due to a decrease of ¥5,195 million in cash and deposits, an increase of ¥8,307 million in notes and accounts receivable - trade, and an increase of ¥4,893 million in inventories.

Total liabilities increased by ¥8,796 million from the end of the previous fiscal year to ¥145,001 million. This was mainly due to an increase of ¥2,968 million in notes and accounts payable - trade, a decrease of ¥928 million in electronically recorded obligations - operating, an increase of ¥7,772 million in short-term loans payable and long-term loans payable, and a decrease of ¥917 million in other current liabilities.

Net assets decreased by ¥1,217 million from the end of the previous fiscal year to ¥65,934 million. This was mainly due to a decrease of ¥157 million in valuation difference on available-for-sale securities, ¥633 million of loss attributable to owners of parent, and ¥338 million of dividends of surplus.

(3) Explanation on Consolidated Financial Results Forecasts and Other Forecast Information

The consolidated financial results forecasts for the first half ending June 30, 2017 and the fiscal year ending December 31, 2017 have not been revised since the consolidated financial results for the three months ended March

31, 2017 has proceeded almost as planned and the future outlook has not substantially changed at this point in time.

These financial results forecasts are calculated based on the exchange rates at ¥115 per U.S. dollar (unchanged) and ¥120 per euro (unchanged).

2. Matters Concerning Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period under Review

Not applicable

3. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2016	As of March 31, 2017
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Assets		
Current assets		
Cash and deposits	13,936	8,741
Notes and accounts receivable - trade	24,911	33,219
Merchandise and finished goods	42,031	46,538
Work in process	6,073	6,532
Raw materials and supplies	1,211	1,137
Other	4,796	4,886
Allowance for doubtful accounts	(26)	(39)
Total current assets	92,934	101,017
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,572	24,529
Land	50,619	50,739
Other, net	22,274	21,088
Total property, plant and equipment	96,466	96,358
Intangible assets	1,062	1,029
Investments and other assets		
Investment securities	6,319	6,085
Other	6,833	6,704
Allowance for doubtful accounts	(259)	(258)
Total investments and other assets	12,893	12,530
Total non-current assets	110,422	109,918
Total assets	203,356	210,935

As of December 31, 2016 As of March 31, 2017

	As of December 31, 2016	As of March 31, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	30,286	33,254
Electronically recorded obligations - operating	12,135	11,206
Short-term loans payable	24,695	33,565
Current portion of long-term loans payable	8,897	8,856
Income taxes payable	703	359
Provision for bonuses	407	739
Provision for loss on disaster	20	11
Other	12,300	11,383
Total current liabilities	89,447	99,376
Non-current liabilities		
Long-term loans payable	27,788	26,732
Deferred tax liabilities for land revaluation	5,790	5,790
Provision for directors' retirement benefits	107	106
Net defined benefit liability	4,491	4,509
Asset retirement obligations	314	315
Other	8,265	8,170
Total non-current liabilities	46,757	45,624
Total liabilities	136,205	145,001
Net assets		
Shareholders' equity		
Capital stock	23,344	23,344
Capital surplus	13,454	13,454
Retained earnings	14,034	13,062
Treasury shares	(990)	(991)
Total shareholders' equity	49,842	48,869
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,227	1,070
Deferred gains or losses on hedges	6	(42)
Revaluation reserve for land	12,686	12,686
Foreign currency translation adjustment	798	782
Remeasurements of defined benefit plans	870	854
Total accumulated other comprehensive income	15,588	15,351
Subscription rights to shares	91	91
Non-controlling interests	1,629	1,620
Total net assets	67,151	65,934
Total liabilities and net assets	203,356	210,935

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

Quarterly Consolidated Statements of Income
For the Three Months Ended March 31, 2017

(Millions of yen)

	Three months ended March 31, 2016	Three months ended March 31, 2017
Net sales	37,671	36,679
Cost of sales	27,211	26,581
Gross profit	10,460	10,097
Selling, general and administrative expenses	10,854	10,370
Operating loss	(394)	(273)
Non-operating income		
Interest income	40	42
Dividend income	21	9
Other	211	199
Total non-operating income	273	251
Non-operating expenses		
Interest expenses	159	141
Share of loss of entities accounted for using equity method	100	—
Foreign exchange losses	192	44
Other	90	147
Total non-operating expenses	542	333
Ordinary loss	(663)	(356)
Extraordinary income		
Gain on sales of non-current assets	20	7
Gain on sales of investment securities	375	—
Total extraordinary income	395	7
Extraordinary losses		
Loss on sales and retirement of non-current assets	10	43
Impairment loss	40	21
Total extraordinary losses	50	64
Loss before income taxes	(318)	(413)
Income taxes - current	472	344
Income taxes - deferred	(178)	(120)
Total income taxes	293	224
Loss	(612)	(638)
Loss attributable to non-controlling interests	(29)	(4)
Loss attributable to owners of parent	(583)	(633)

Quarterly Consolidated Statements of Comprehensive Income
For the Three Months Ended March 31, 2017

(Millions of yen)

	Three months ended March 31, 2016	Three months ended March 31, 2017
Loss	(612)	(638)
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,378)	(155)
Deferred gains or losses on hedges	7	(48)
Revaluation reserve for land	284	—
Foreign currency translation adjustment	(121)	68
Remeasurements of defined benefit plans, net of tax	264	(15)
Share of other comprehensive income of entities accounted for using equity method	(221)	(86)
Total other comprehensive income	(1,165)	(237)
Comprehensive income	(1,777)	(875)
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	(1,742)	(870)
Comprehensive income attributable to non-controlling interests	(35)	(5)

(3) Notes to Quarterly Consolidated Financial Statements

(Notes to Going Concern Assumption)

Not applicable

(Notes to Material Changes in Shareholders' Equity)

Not applicable