

Supplementary Information to Consolidated Financial Results

(January 1, 2024 – March 31, 2024)

ISEKI & CO., LTD.

May 15, 2024

1. Outline of Financial Results for the First Quarter
Fiscal Year Ending December 31, 2024
2. Performance Forecast for the Fiscal Year Ending
December 31, 2024



Solution Provider
for Agriculture & Landscape

1. Outline of Financial Results for the First Quarter Fiscal Year Ending December 31, 2024



<First Quarter Financial Results>

Growth in overseas sales, operating income surplus

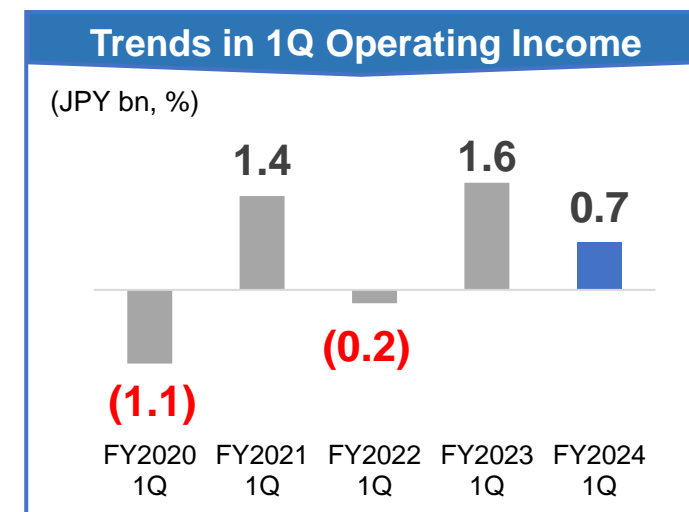
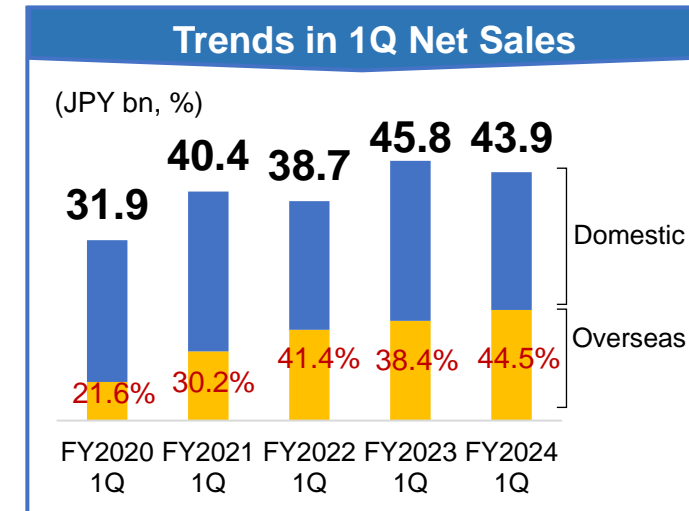
Overseas: Continued growth in Europe
Net sales reaching a new record high

Domestic: Sales mainly of agricultural machinery decreased

Earnings: Secured profit mainly due to the effects of price revisions in Japan and overseas, continued growth in Europe, and the effect of FOREX fluctuations, despite a decrease in gross profit due to a drop in domestic sales and production

<Full-year Forecast>

No revision to the initial forecast



Outline of Consolidated Business Performance

(JPY bn, %) (January 1, 2024 to March 31, 2024)		FY2020/12 1Q Actual	FY2021/12 1Q Actual	FY2022/12 1Q Actual	FY2023/12 1Q Actual	FY2024/12 1Q Actual	YoY Change
Net Sales		31.9	40.4	38.7	45.8	43.9	(1.9)
(Domestic)		25.0	28.2	22.7	28.2	24.3	(3.8)
(Overseas)		6.8	12.2	16.0	17.6	19.5	1.9
Gross Profit		9.0	11.7	10.8	13.7	13.0	(0.7)
Gross Profit Margin		28.2%	29.1%	27.9%	30.0%	29.7%	(0.3)%
Operating Income		(1.1)	1.4	(0.2)	1.6	0.7	(0.9)
Operating Margin		(3.5)%	3.7%	(0.6)%	3.7%	1.7%	(2.0)%
Ordinary Income		(1.2)	2.1	0.0	1.3	0.9	(0.3)
Profit (Loss) Attributable to Owners of Parent		(0.4)	1.9	0.2	0.7	0.4	(0.2)
Average Exchange Rate (JPY)							
US\$		109.6	104.4	114.8	132.3	146.9	14.6
Euro		120.8	126.8	130.1	141.9	159.9	18.0

YoY
JPY3.8 billion
decrease

Sales mainly of agricultural machinery decreased

(JPY bn)		FY2020/12 1Q Actual	FY2021/12 1Q Actual	FY2022/12 1Q Actual	FY2023/12 1Q Actual	FY2024/12 1Q Actual	YoY Change
Agricultural Machinery Related	Agricultural Machinery						
	Cultivating & Mowing Machinery	5.7	6.6	5.8	7.0	5.8	(1.2)
	Planting Machinery	1.7	2.5	1.6	2.1	1.6	(0.4)
	Harvesting & Processing Machinery	2.0	2.4	2.0	3.9	2.6	(1.2)
	Subtotal	9.5	11.6	9.6	13.1	10.1	(2.9)
	Farming Implements	4.1	5.9	4.0	4.7	4.4	(0.2)
	Spare Parts	2.9	3.0	2.9	3.3	3.2	(0.1)
	Repair Fees	1.1	1.1	1.1	1.1	1.1	0.0
	Subtotal	8.2	10.2	8.1	9.2	8.8	(0.3)
	Total	17.8	21.8	17.7	22.3	19.0	(3.3)
Construction of Facilities	2.6	1.4	0.7	1.2	0.7	(0.5)	
Others	4.6	5.0	4.2	4.6	4.5	0.0	
Total	25.0	28.2	22.7	28.2	24.3	(3.8)	

Main factors of YoY changes

✓ **Agricultural machinery:**
Despite a sales increase in the same period of the previous fiscal year due to the last-minute demand associated with price revisions in April, sales decreased in the first quarter this fiscal year, partly because the timing of revisions was pushed forward one month

➤ **ISEKI's revisions of agricultural machinery prices**

Timing	Price increase
Jun. 2022	About 3%
Apr. 2023	About 5%
Mar. 2024	About 3%

YoY
JPY1.9 billion
increase

Continued growth in Europe
Net sales reaching a new record high

(JPY bn)	FY2020/12 1Q Actual	FY2021/12 1Q Actual	FY2022/12 1Q Actual	FY2023/12 1Q Actual	FY2024/12 1Q Actual	YoY Change
North America	2.3	3.9	4.6	3.8	3.3	(0.5)
Europe	2.4	5.9	7.8	11.0	14.0	3.0
Asia	2.0	2.2	3.5	2.1	1.9	(0.2)
Others	0.0	0.0	0.1	0.5	0.2	(0.2)
Total sales	6.8	12.2	16.0	17.6	19.5	1.9

Main factors of YoY changes

- ✓ **North America:** Adjustment phase continued in the compact tractor market, which led to decreased sales
- ✓ **Europe:** Expansion of product procurement and capturing of pre-season demand led to sales growth
- ✓ **Asia:** Despite a recovery after a pullback in demand due to emission standards in China, weakening demand in ASEAN and Korea led to a decline in orders and a decrease in sales

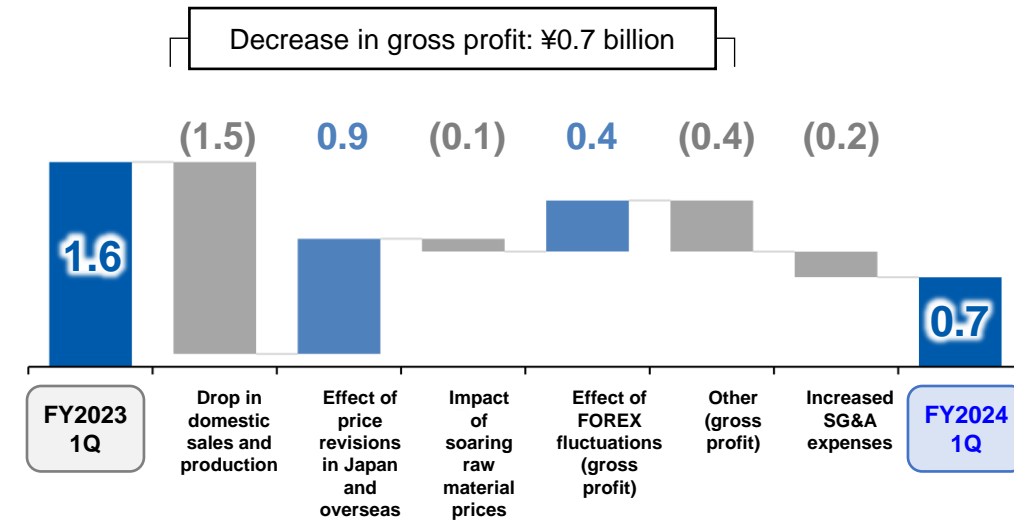
Main Factors of YoY Changes in Operating Income

YoY
JPY0.9 billion
decrease

Secured profit mainly due to the effect of price revisions in Japan and overseas, continued growth in Europe, and effect of FOREX fluctuations, despite a decrease in gross profit due to a drop in domestic sales and production

(JPY bn, %)	FY2020/12 1Q Actual	FY2021/12 1Q Actual	FY2022/12 1Q Actual	FY2023/12 1Q Actual	FY2024/12 1Q Actual	YoY Change
Net Sales	31.9	40.4	38.7	45.8	43.9	(1.9)
Gross Profit	9.0	11.7	10.8	13.7	13.0	(0.7)
Gross Profit Margin	28.2%	29.1%	27.9%	30.0%	29.7%	(0.3)%
SG&A Expenses	10.1	10.3	11.0	12.0	12.3	0.2
Personnel Expenses	6.0	6.0	6.4	6.7	6.9	0.2
Other Expenses	4.0	4.2	4.6	5.3	5.3	0.0
Operating Income	(1.1)	1.4	(0.2)	1.6	0.7	(0.9)
Operating Margin	(3.5)%	3.7%	(0.6)%	3.7%	1.7%	(2.0)%

[Breakdown of YoY Change]



[Effect of FOREX Fluctuations (JPY bn)]

Net Sales	Cost of Sales	SG&A Expenses	Operating Income
1.7	(1.3)	(0.2)	0.2

Ordinary Income & Profit

Ordinary income
YoY
JPY0.3 billion
decrease

Profit decreased to a lesser extent than operating income did mainly due to improved balance of financial income and increased foreign exchange gains

(JPY bn)	FY2020/12 1Q Actual	FY2021/12 1Q Actual	FY2022/12 1Q Actual	FY2023/12 1Q Actual	FY2024/12 1Q Actual	YoY Change
Operating Income	(1.1)	1.4	(0.2)	1.6	0.7	(0.9)
Balance of Financial Income	(0.1)	(0.1)	(0.1)	(0.5)	(0.3)	0.2
Other Non-operating Income	0.0	0.8	0.4	0.1	0.5	0.3
Ordinary Income	(1.2)	2.1	0.0	1.3	0.9	(0.3)
Extraordinary Income	0.1	0.0	0.0	0.0	0.0	0.0
Extraordinary Losses	0.0	0.0	0.0	0.0	0.0	0.0
Income Before Income Taxes	(1.1)	2.0	0.0	1.2	0.8	(0.3)
Income Taxes - Deferred	0.7	(0.1)	0.2	(0.5)	(0.4)	0.1
Profit (loss) Attributable to Owners of Parent	(0.4)	1.9	0.2	0.7	0.4	(0.2)

Breakdown of YoY change in other non-operating Income (JPY bn)

Foreign exchange gains	0.1
Share of loss of entities accounted for using equity method	0.1

YoY change

Inventories increased at a restrained level YoY in 1Q

(JPY bn)	As of Mar. 31, 2023	As of Mar. 31, 2024	YoY Change		As of Mar. 31, 2023	As of Mar. 31, 2024	YoY Change
Cash & Deposits	9.2	13.0	3.8	Accounts Payable - Trade	45.1	35.9	(9.2)
Accounts Receivable - Trade	38.0	35.0	(3.0)	Interest-bearing Liabilities	80.3	86.7	6.3
Inventories	68.4	73.7	5.3	(Loans Payable)	73.3	79.4	6.0
Other Current Assets	5.9	4.1	(1.8)	Other Liabilities	20.8	30.5	9.7
Total Current Assets	121.6	126.0	4.3	Total Liabilities	146.3	153.2	6.8
Property, Plant and Equipment	83.8	84.2	0.3	Net Assets	72.7	75.0	2.3
Intangible Assets	2.4	2.4	0.0	(Retained Earnings)	21.1	20.2	(0.9)
Investments and Other Assets	11.1	15.6	4.4				
Total Non-current Assets	97.4	102.2	4.8				
Total Assets	219.1	228.3	9.2	Total Liabilities and Net Assets	219.1	228.3	9.2

[Change in inventories from beginning of fiscal year]

(JPY bn)	FY2020	FY2021	FY2022	FY2023	FY2024
Change from beginning of fiscal year	Up 5.2	Up 1.6	Up 4.8	Up 3.1	Up 0.9

2. Performance Forecast for the Fiscal Year Ending December 31, 2024



Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2024

Consolidated
Financial Results
Forecasts

No revision has been made to the forecast as 1Q results were within initial expectations

(JPY bn, %)	FY2019/12	FY2020/12	FY2021/12	FY2022/12		FY2023/12		FY2024/12		YoY Change
	Actual	Actual	Actual	Actual	%	Actual	%	Forecast	%	
Net Sales	149.8	149.3	158.1	166.6	100.0	169.9	100.0	170.0	100.0	0.0
(Domestic)	117.7	115.9	117.3	112.6	67.6	113.0	66.5	115.0	67.6	1.9
(Overseas)	32.1	33.3	40.7	53.9	32.4	56.8	33.5	55.0	32.4	(1.8)
Operating Income	2.7	2.0	4.1	3.5	2.1	2.2	1.3	2.0	1.2	(0.2)
Ordinary Income	1.1	1.7	4.6	3.7	2.3	2.0	1.2	1.0	0.6	(1.0)
Profit (loss) Attributable to Owners of Parent	0.7	(5.6)	3.1	4.1	2.5	0.0	0.0	0.4	0.2	0.3
Average Exchange Rate (JPY)	US\$	109.3	107.0	109.0	131.3	139.4		140.0		0.6
	Euro	121.6	121.5	129.8	136.9	148.6		150.0		1.4
Year-end Dividend (JPY)	30	0	30	30		30		30		—

*Forecast for FY2024/12: The forecast announced on February 14, 2024

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- The document was created by ISEKI with 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.
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未来の
ために、
いま選ぼう。

ISEKI Group joins the nationwide action called “COOL CHOICE” run by the Ministry of the Environment Government of Japan, which promotes to make “smart choices” for the global warming. As a proposal of “smart choices”, we develop and deliver environmental-friendly products like “eco products”.

食から日本を考える。

**NIPPON
FOOD
SHIFT**