



Note: The translation of the explanatory materials will also be disclosed on February 26, 2026.

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Notice on Progress of “Project Z”

ISEKI & CO., LTD. hereby announces the progress as of February 2026 of “Project Z,” details of which were released on February 14, 2024, as follows.

This project aims to steadily advance the fundamental structural reforms through intensive short-term efforts, accelerate growth strategies based on the results achieved, and improve profitability and asset efficiency by 2027.

1. Progress of “Project Z”

1-1. Progress Summary

The major measures of the fundamental structural reforms that are implemented through short-term intensive efforts have generally progressed as planned. The effects of these measures have begun to appear sequentially from 2025, with fixed cost reductions and operational efficiency improvements expected to deliver results in 2026.

The results of our growth strategy have been achieved by strengthening our presence in highly profitable regions overseas, primarily in Europe, and by concentrating management resources on growth areas in Japan.

1-2. Fundamental Structural Reforms

(1) Optimize Production through Reorganization of Production Sites: Progressed as planned.

As part of the restructuring of our domestic production system, we have executed the consolidation and transfer of production bases for combine harvesters and key models according to plan. We have progressed with building construction and system development for consolidation at ISEKI M&D (Matsuyama), while smoothly advancing the consolidation of the assembly of products from Kumamoto.

We expect that these efforts will achieve both improvement of production efficiency and reduction of fixed costs, and that the effect of improvement in our profit and loss structure will gradually emerge from 2026.

(2) Optimize Development through Product Margin Improvement and Development Efficiency Improvement: There is a delay in some areas.

While product margin improvement is lagging in some areas, we have worked to improve it by deploying additional resources. The improvement effects have begun to be seen gradually since the second half of 2025, and we will continue our efforts to achieve the targets in 2027.

For development efficiency, we have proceeded as planned with the consolidation of models and types and the promotion of common design, and prioritized the allocation of development resources to growth areas.

(3) Deepen Domestic Sales by Creating a Foundation for our Growth Strategy: Progressed as planned.

We established ISEKI Japan Co., Ltd. in January 2025 and implemented the integration of domestic sales companies and the reorganization of the sales system. The concentration of management resources and the establishment of a swift decision-making system have steadily yielded results in inventory reduction and sales force enhancement.

(4) Optimize Employee Composition and Invest in Human Capital: Progressed as planned.

We have maintained the originally planned number of personnel and labor cost levels across the entire group. Concurrently, we have advanced human capital investments as planned through enhanced education and training programs, personnel deployment to growth areas, the implementation of HR system reforms aimed at evaluating challenges and achievements and enhancing employee engagement, and improved compensation, thereby building a foundation to support productivity enhancement and growth.

(5) Cost Reduction: Progressed as planned.

Cost reduction effects have been emerging sequentially since 2025 through a thorough review of operations and the implementation of specific improvement measures.

1-3. Growth Strategy

(1) Development of Strategies Specific to Each Overseas Region and Product Strategies: Progressed as planned.

In Europe, we have promoted integrated sales and inventory management through the collaboration of three companies: ISEKI France, ISEKI-Maschinen GmbH, and ISEKI UK & Ireland, which was consolidated in 2025. By increasing the proportion of our highly profitable European operations, we aim to accelerate the improvement of profitability across our entire overseas business.

(2) Concentrating Management Resources on Domestic Growth Areas: Progressed as planned.

We have focused on the following four key areas: large-sized; advanced; dry field; and environmentally friendly, and developed product and sales strategies primarily through the Large-scale Planning Section. By introducing large-sized and advanced technology products and strengthening response to environmentally friendly agriculture, we are

expanding our achievements in growth areas.

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