



Business Strategies for European Business and Domestic Large-sized Machinery

ISEKI & CO., LTD.
April 20, 2026



Today's Agenda

	Content	Speaker
Part 1	Growth Strategy Overview	Shiro Tomiyasu Representative Director, Chairman
Part 2	Overseas Growth Strategy: European Business	Kazuya Tani Director & Senior Corporate Officer
Part 3	Domestic Growth Strategy: Large-sized Machinery	Hajime Odagiri Representative Director, President
Part 4	Q&A	

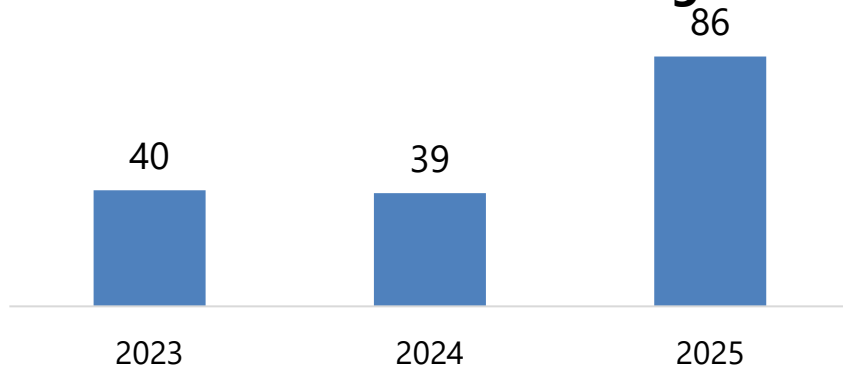
Part 1

Growth Strategy Overview



- The number of one-on-one meetings with institutional investors/analysts **increased significantly** in 2025.
- Today, we focus on the most frequent inquiries regarding our domestic and overseas growth strategies, especially for **European business**, which is our overseas growth strategic pillar, and **domestic large-sized machinery**.

■ **The number of 1-on-1 meetings**

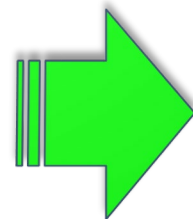
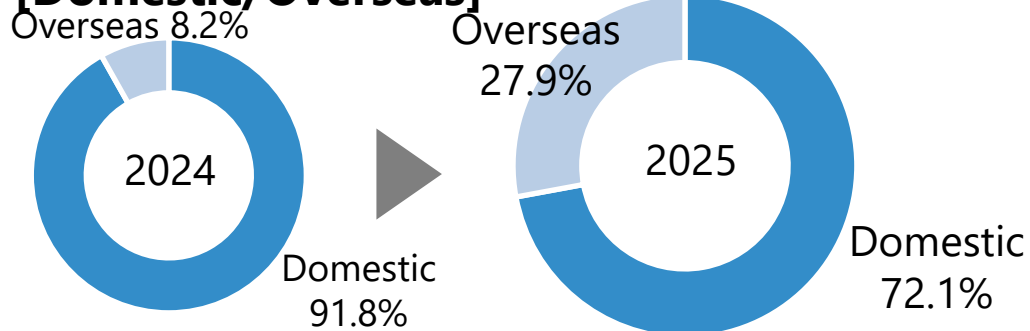


<Comments from institutional investors/analysts>

- If the market becomes optimistic about our earnings outlook and stronger performance driven by the Project Z for the long term, it is likely to push the share price higher.
- If rice prices normalize, short-term investors are likely to move away. What we should discuss with investors next are the key medium- to long-term drivers.

Our counterparts' attributes

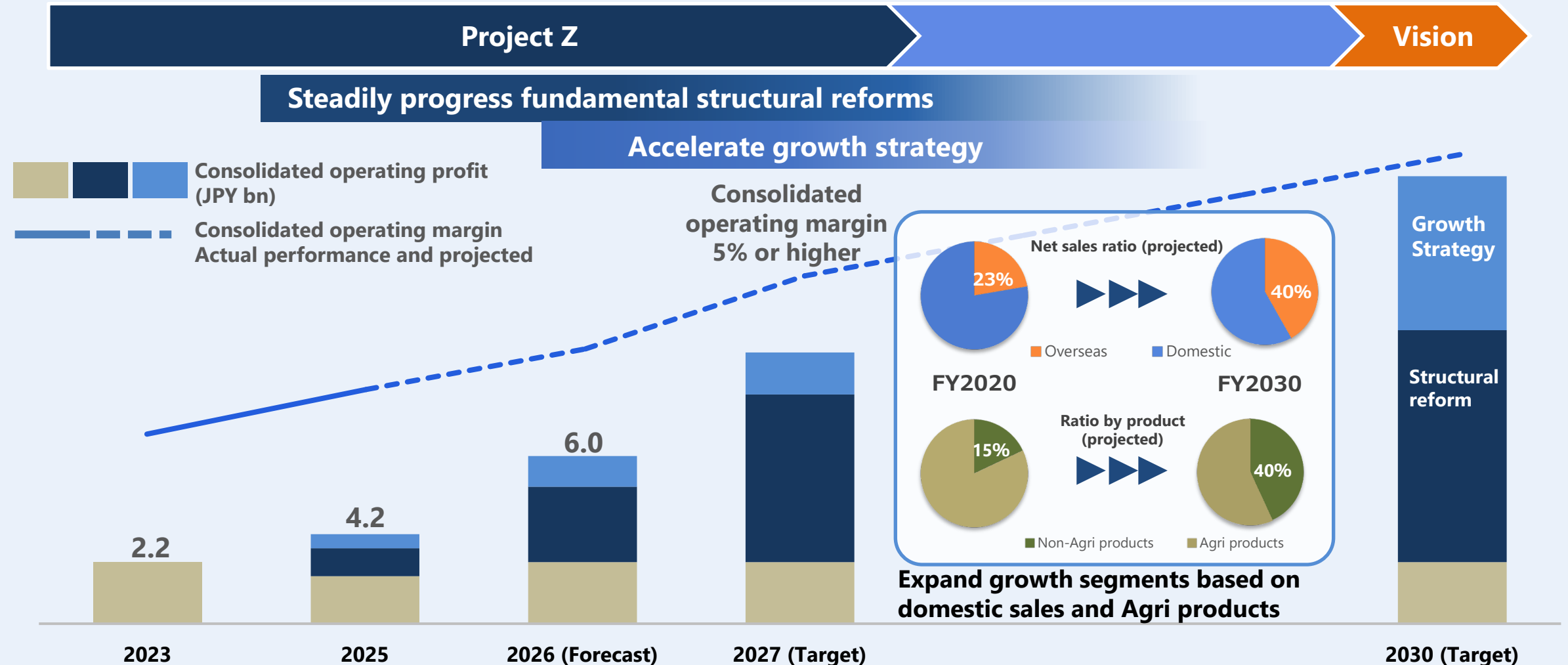
[Domestic/Overseas]



Our growth strategic pillars of “Europe” and “domestic large-sized machinery” will be covered today.

ISEKI's Growth Story –Project Z–

- Our structural reform and growth strategy launched in 2024 and growth strategy will accelerate in 2026.
- Overseas, our sales are expanding with a focus on Europe, while domestically we are improving profitability by concentrating resources on growth areas.



Progress of Project Z

- ❑ The fundamental structural reforms have generally progressed **as planned**.
- ❑ Based on our growth strategies, collaboration among subsidiaries in Europe were strengthened overseas and achievements in growth areas expanded domestically.

Core Themes

Effects in 2025 and progress toward 2027

Fundamental structural reforms	Optimize production	<ul style="list-style-type: none"> ■ Reorganization of production sites 	<ul style="list-style-type: none"> · The reorganization of sites—the transfer of production base of combine harvesters and hydraulic equipment—has been implemented as planned. · The effects of operational reforms and fixed cost reductions will appear from 2026.
	Optimize development	<ul style="list-style-type: none"> ■ Product margin improvement ■ Development efficiency improvement 	<ul style="list-style-type: none"> · The effects of production margin improvement appeared in accordance with the 2025 plan. We intend to achieve further improvement by deploying more resources toward the 2027 plan. · Reductions in models and types are under way as planned.
	Deepen domestic sales	<ul style="list-style-type: none"> ■ Construction of a base for growth strategy 	<ul style="list-style-type: none"> · ISEKI Japan was established. The effects of consolidation has appeared sequentially from 2025. · Inventory reduction exceeded the plan.
	Transform corporate structure into a robust one	<ul style="list-style-type: none"> ■ Optimization of employee composition and investment in human capital ■ Cost reduction 	<ul style="list-style-type: none"> · The number of employees and labor costs were maintained at the planned level. HR system reforms have been implemented to evaluate challenges and achievements. · Streamlining of operational duplication is underway amid organizational restructuring.
Growth strategy	Concentrate management resources on growth segments	Overseas <ul style="list-style-type: none"> ■ Development of region-specific strategies 	<ul style="list-style-type: none"> · Reorganization of the sales system in Europe has been completed, strengthening collaboration among three subsidiaries. · Efforts to advance sales in the ASEAN market are underway.
		Domestic <ul style="list-style-type: none"> ■ Focus on growth areas 	<ul style="list-style-type: none"> · The sales plan for “large-sized” and “advanced” products was achieved. The mowing business has been fully developed. · Large-scale tractors and combine harvesters will be launched in the market in 2026.

Growth Strategy Overview

- ❑ Overseas ▶ Develop region-specific strategies: accelerate business growth in Europe, a highly profitable region
- ❑ Domestic ▶ Focus on growth areas: Completed the Company's organization and its systems and moved into the execution phase.

Develop region-specific strategies

- ✓ Expand the business in Europe
 - Synergy creation through collaboration among three companies underway, with the addition of IUK in the UK
 - *IUK: ISEKI UK & Ireland (Its company name has been changed from PREMIUM TURF-CARE LIMITED.)
 - Enter and expand in low-share or untapped markets, including Eastern Europe and Middle East.

Promote product strategy

- ✓ Aim to expand the range of Non-Agri products
- ✓ Accelerate product rollout in the ASEAN market
- *"Non-Agri products" mean machinery not used for agriculture (environment improvement machinery, etc.).

Profit increase effects

◆ In 2027 approx. 1.0 billion yen ◆ In 2030 approx. 3.0 billion yen

*Compared to 2023

Expand sales in growth segments

- ✓ Accelerate expanding sales of large-sized models with the Large-scale Planning Section at the core.
- *Large-scale Planning Section: Organization responsible for the growth within ISEKI Japan
- Large-sized tractors, rice transplanters, and combine harvesters to be launched in the market in 2026.
- ✓ Accelerate domestic sales of Non-Agri products. Promotion of BtoB and BtoG underway.

Profit increase effects

◆ In 2027 approx. 0.5 billion yen ◆ In 2030 approx. 0.7–1.0 billion yen

*Compared to 2023

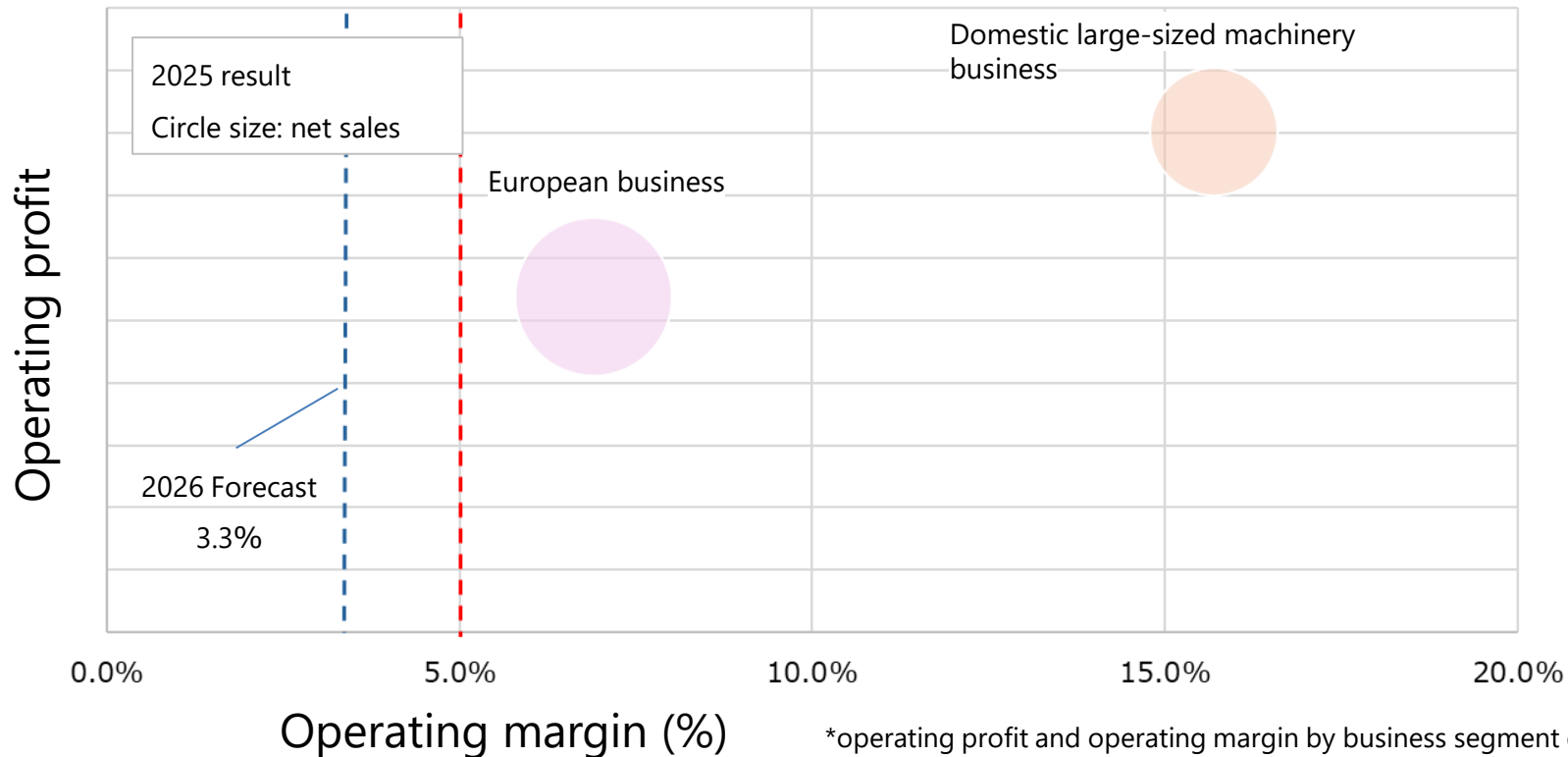
Overseas

Domestic

Business Positioning: Europe and Domestic Large-sized Machinery

- ❑ The European business is a “highly profitable business” that outperforms our overall overseas operations in profit margin.
- ❑ Domestic large-sized machinery business enjoys not only high gross profit margin, compared to medium-to-small machinery, but also strong demand for machine maintenance and inspections after selling products, leading to higher maintenance revenue over the product lifecycle.

**European business and domestic large-sized machinery business:
operating profit amount/margin (2025 result)**



Landscaping business in Europe (snow-plowing/mowing)



Domestic large-sized agricultural machinery



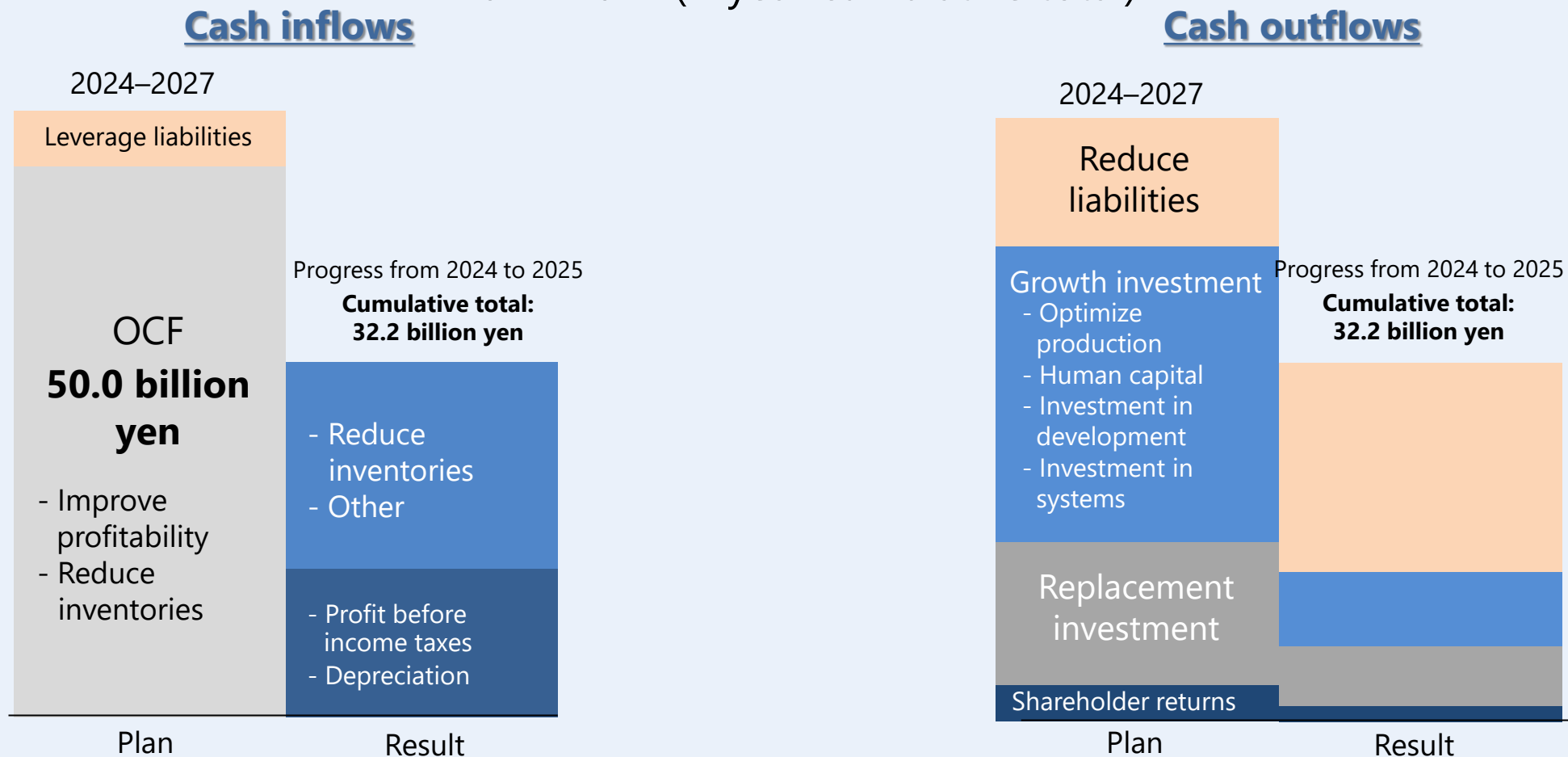
Maintenance

*operating profit and operating margin by business segment do not include corporate expenses.
*The figures for domestic large-sized machinery business are the estimates that include maintenance revenue.

Cash Allocation for Growth

- ❑ Operating cashflows has improved **as planned** due to improved profitability and reduced inventories.
- ❑ Liabilities reduction is progressing ahead of plan, and growth investments will **ramp up** from 2026.

■ 2024–2027 (4-year cumulative total)



Part 2

Overseas Growth Strategy: European Business



Today's Key Point(1)

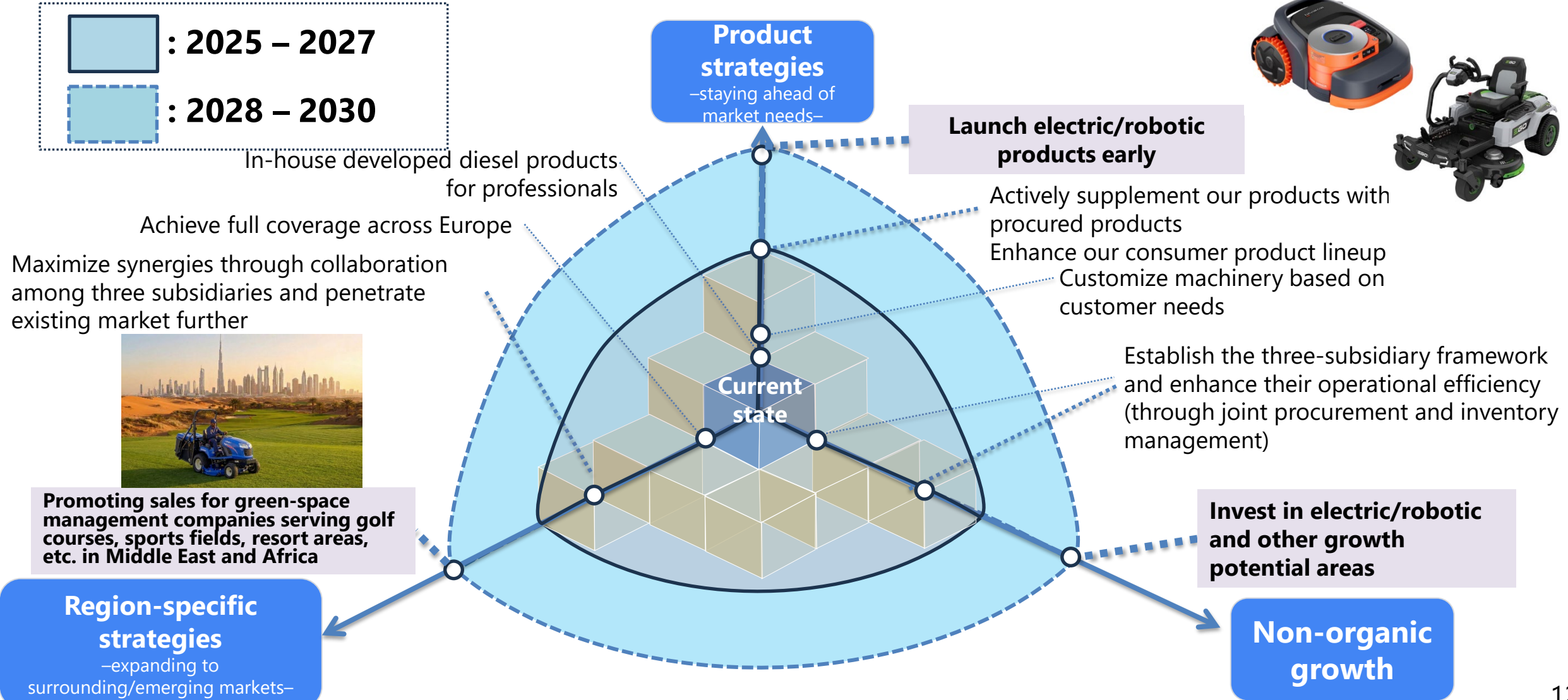
We aim for growth in “Europe”, our top priority market overseas, through sales expansion combined with profit margin increase.



European business will remain ISEKI's highly profitable growth driver for the medium-to-long term.

Three Core Growth Pillars

- We pursue European business growth through the pillars of product strategies, region-specific strategies and non-organic growth.



Growing Overseas Business

- Among our 3 core markets of Europe, North America and Asia, we position **Europe as our top priority market.**
- European business is ISEKI's **"highly profitable growth business."**

Overseas sales target (by 2030)

80.0 billion yen

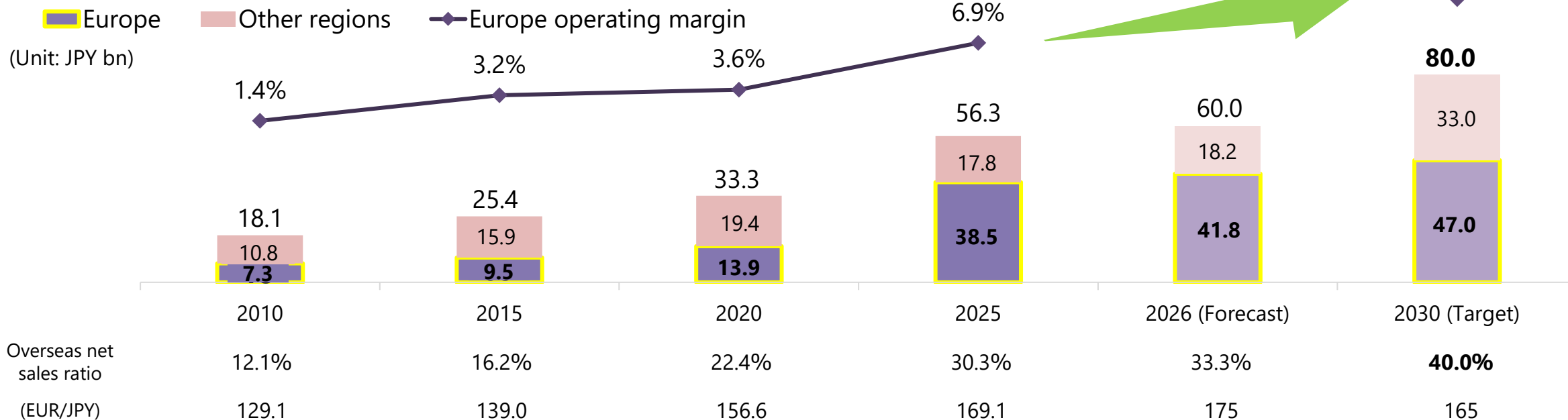
Overseas net sales ratio: 40% or more

Europe sales target (by 2030)

47.0 billion yen or more

Driving our overseas business growth

Overseas net sales trend *The figures for 2010 and 2015 represent results for the fiscal years ended March 31. *Operating margin in Europe is estimated without including corporate expenses.



European Business: Its History and Landscaping Market

- Originally starting with tillers, we now have tractors for landscaping and riding mowers as our core products.
- Widely popular mainly among professional users, such as local governments and subcontractors, throughout the year.



1967:
Tillers launched



1988:
Riding mowers launched.



1976:
Tractors launched.

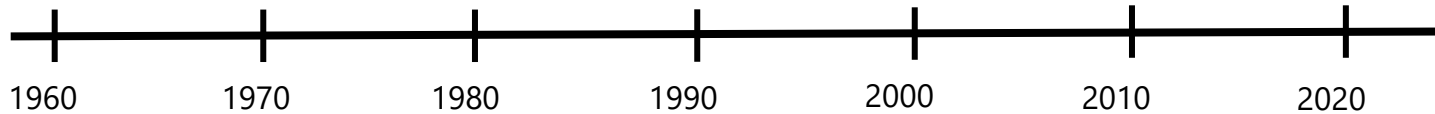


Tractors/riding mowers
Cumulative volume
shipped:
Over 200,000 units

Cultivating a reputation for excellence across Europe

"Our machines speak for themselves, so we encourage potential customers to try them out and see the quality of our products and services for themselves."

Featured by The Japan Times



European Business is ISEKI's "Highly Profitable Growth Business"

- ❑ We gained strong market trust in the landscaping market in Europe and achieved a **top-class market share (estimated at 20–30%)**.
- ❑ Avoiding excessive price competition, we established a **robust core business that generates high profits**.

Three-company structure established in Europe

Converting ISEKI UK as a consolidated subsidiary in January 2025, we are advancing operational efficiencies through integration of administrative tasks.

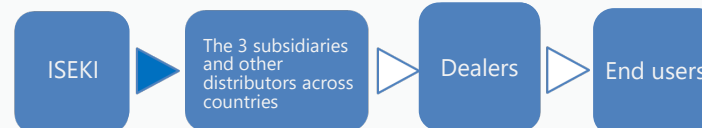


Strong sales network

Extensive sales network and roughly 60 years of trustful relationship with local dealers support our strong sales capability.

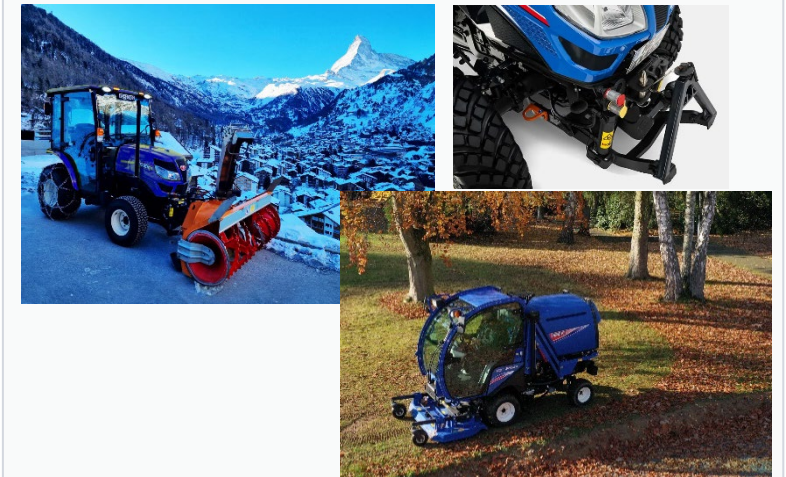
	Number of dealers
ISEKI France	200 or more
ISEKI Germany	150 or more
ISEKI UK	100 or more

[Distribution channel]



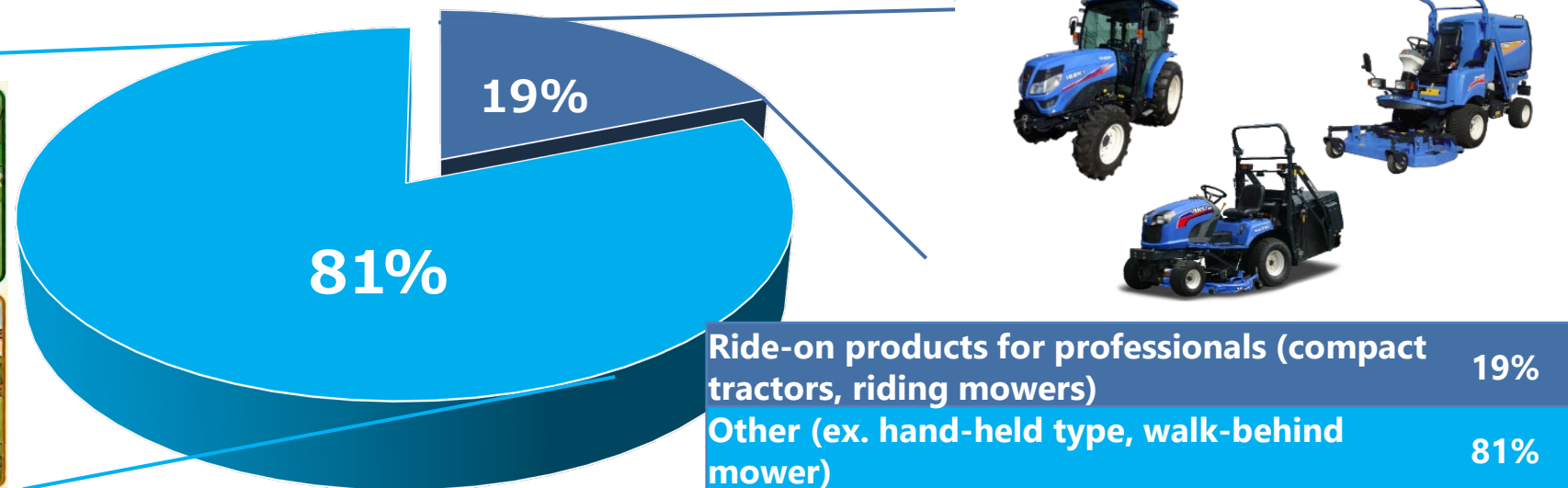
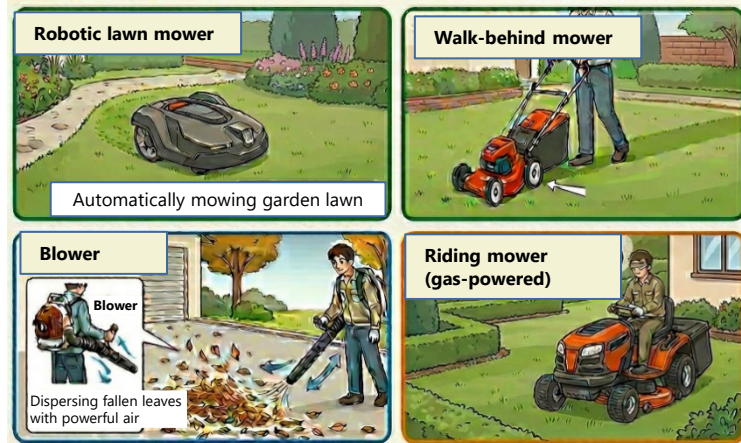
Customization capability

We have designed and customized products by capturing country- and region-specific needs accurately, which has enabled us to earn strong trust from professional users and establish a solid brand recognition.

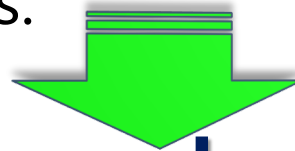


Landscaping Market Size in Europe

- ❑ Target market: Landscaping machinery market in Europe (on an estimated amount basis)
- ❑ Current coverage rate: 19%
Currently, the market we can reach through our products account for no more than 20% of the total.



- ❑ The remaining 81% is a massive untapped market we have yet to reach because of our current product lineup limitations.



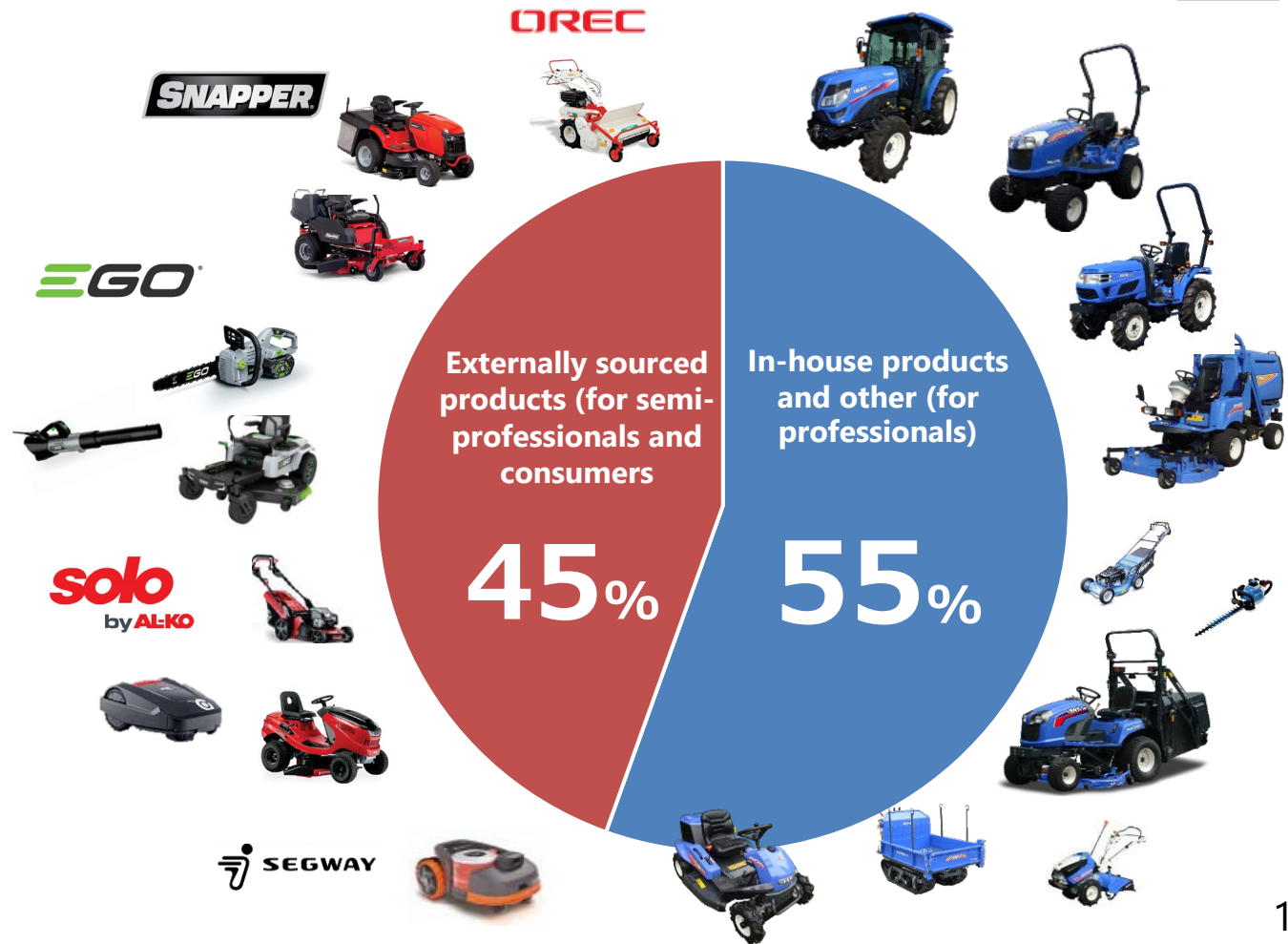
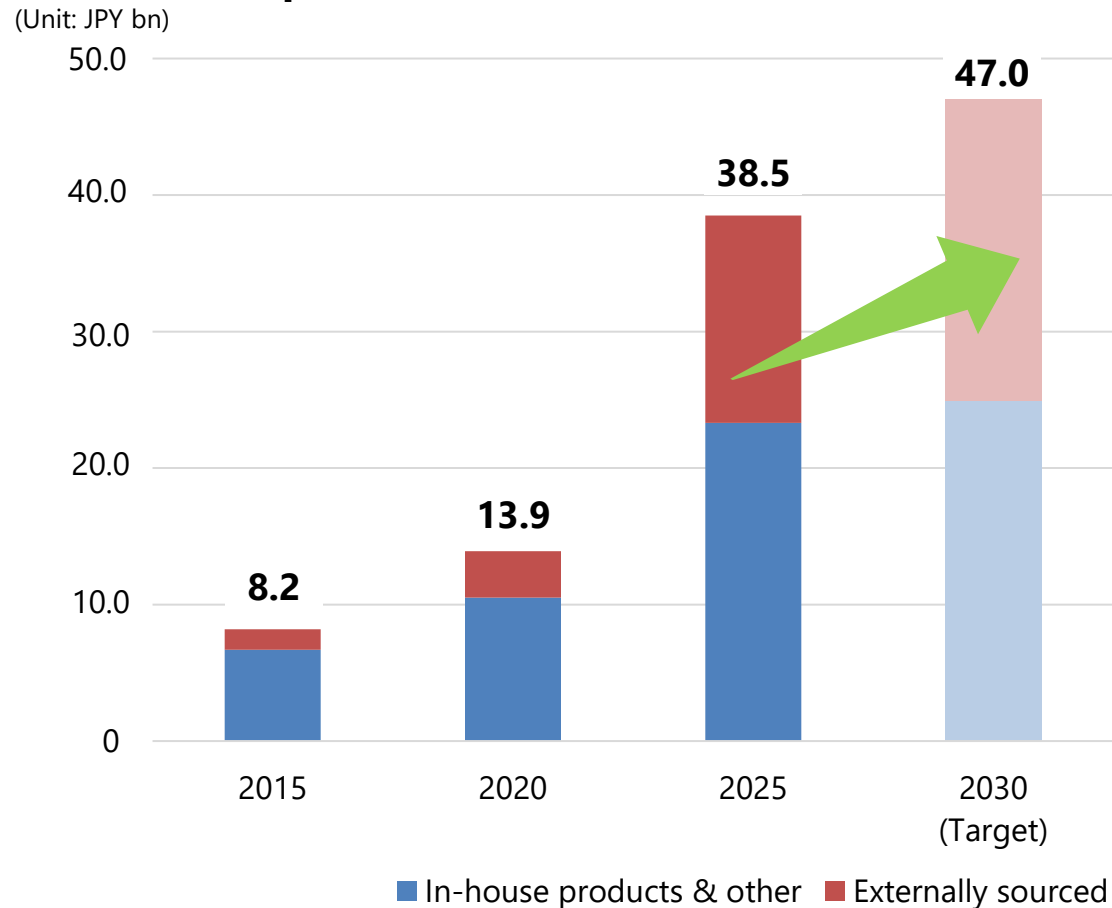
By strengthening our product lineup in this area, we can expect further business growth.

In-house vs. Externally Sourced Products: Sales Ratio

- Leveraging the trust we have built among professional users, we are expanding into the **consumer** market.
- We are **expanding** our **customer base** by offering a broader range of products.

European business net sales breakdown

Reference) ISEKI France: sales breakdown (2025 result)



Transition in the Types of Products Handled by ISEKI France

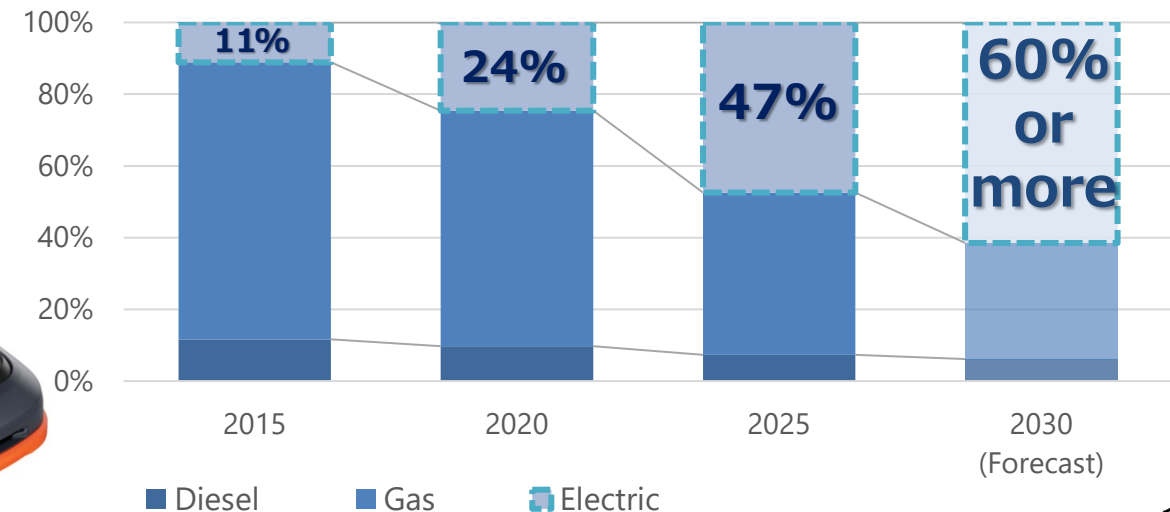
□ The share of electric and robotic products in the total handled products is growing.

The number of models handled by ISEKI France in the last 10 years

Product by power type	2015	2020	2025
Diesel-powered product	22 models	→ 21 models	→ 20 models
Gas-powered product	146 models	→ 141 models	→ 123 models
Electric product	21 models	→ 53 models	→ 129 models



The share of electric products in total handled models



Electric OPE product*	2015: 22 models → 2025: 68 models
Robotic lawn mowers	2015: 5 models → 2025: 19 models

*The abbreviation of Outdoor Power Equipment: small outdoor power equipment for gardening, agriculture, and forestry (ex. brush cutters, chain saws, blowers)



Evolving Landscaping Market and Its Needs in Europe

- ❑ Demand for our core products remains solid as **labor shortages** and **environmental regulations** have brought huge structural changes.
- ❑ The market is shifting from maturity to a **renewed growth phase**, driven by greater sophistication and higher environmental compliance standards.

Mitigating labor shortage through machinery

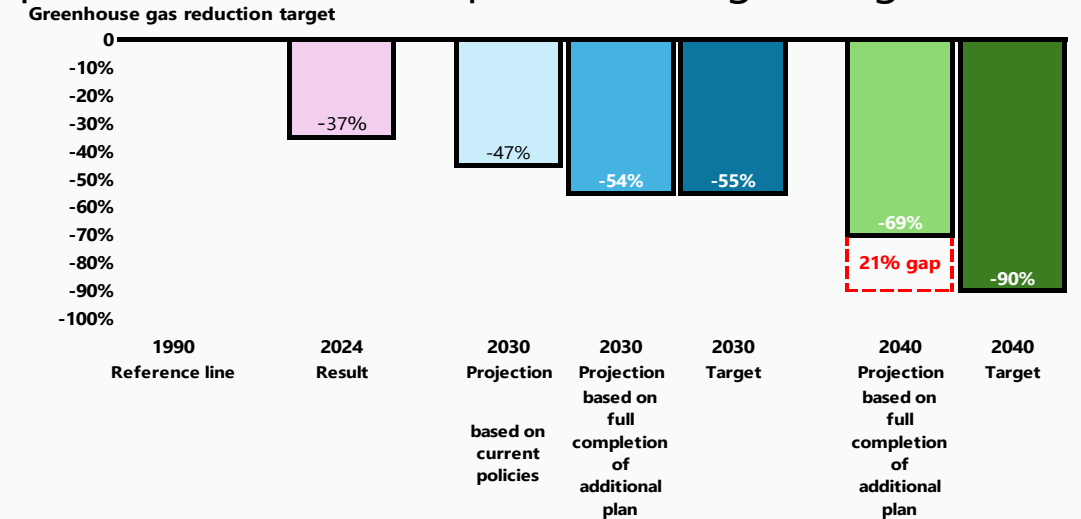
Our products enhance operator working comfort while addressing labor-saving needs through robotization and efficiency improvements.

Industry	EU nations facing labor shortages
Landscaping and horticulture	Belgium, Bulgaria, Germany, Denmark, Finland, Italy, Lithuania, Slovakia
Construction	Belgium, Bulgaria, Cyprus, Czech Republic, Germany, Denmark, Finland, Croatia, Hungary, Italy, Luxembourg, Latvia, Malta, Slovenia, Slovakia

Source: **Report on labour shortages and surpluses 2024** issued by EURES (European Employment Services)
Among EU member states, wage levels are set high in Belgium, Germany, Denmark, Finland, where both the landscaping and horticulture industry and the construction industry are experiencing hiring difficulties.
“A structural labor shortage” is being driven by an aging workforce and the disengagement of younger workers from the industry.

Addressing environmental regulations

A demand for environmental-regulation-compliant products (ex. Electric products) is growing.



- Trends and projections in Europe 2025 A report issued by EEA (European Environment Agency)
- Legally binding reduction targets (vs 1990)
 2030 Target: at least 55% reduction (Fit for 55)
 2040 Target: 90% reduction
 - **2040 Projection**
Even if all the added plans were executed, we will still fall short at 69% (with 21 pp gap to remain against the 90% target).

Growth Pillar (1) Region-specific Strategies: Deploying for Existing and New Markets

□ We will strengthen collaboration among the three subsidiaries in Europe to **enhance profitability** in the existing markets and **increase volume** in the new markets.

- Maximize synergies through collaboration among three subsidiaries in Europe
 - Reinforce the revenue base by penetrating the existing market further
 - Enhance revenue by unifying administrative tasks and centralizing inventory management
- Develop new markets primarily in Africa and Middle East
 - Promote sales for green-space management companies serving golf courses, sports fields, and resort areas



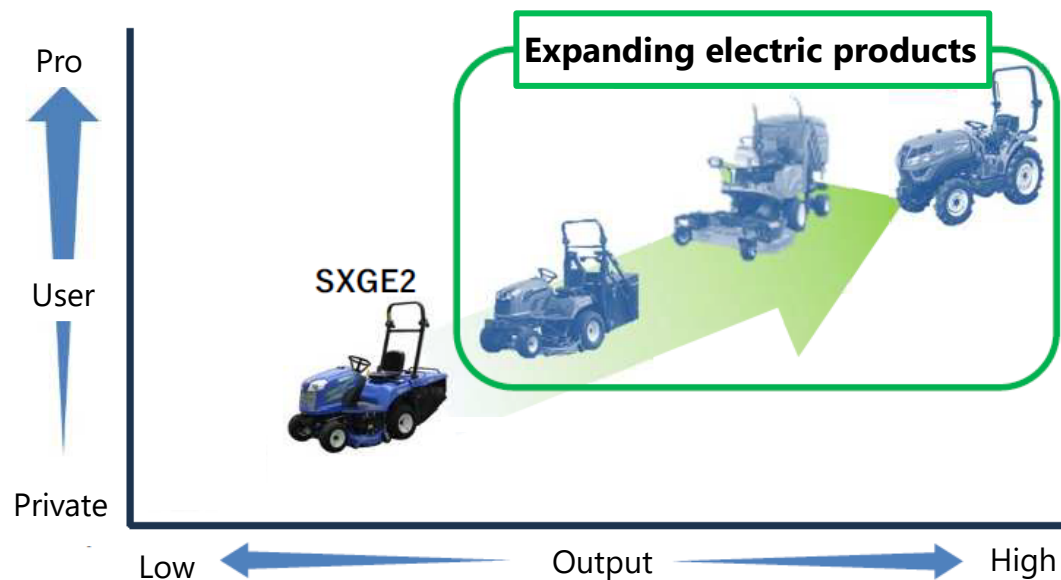
Turf maintenance on a sports field (Middle East)



- We will launch products in demand at the earliest possible timing and keep turning the cycle to generate cash further.

Initiatives to promote electrification

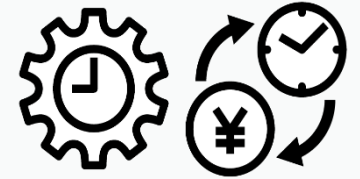
- To validate demand and market potential for electrification, we launched electric riding mower SXGE2 in limited quantities.
- Based on the data obtained from the limited launch, we will pursue electrification for products targeting professionals and other models.



Optimizing the balance between in-house development and external resources

[Current state/issues]

There are issues with development speed and cost. With limited resources, it is difficult to develop products for a wide range of customers from professionals to consumers solely in-house.



[Future approach]

(1) Focus on core areas

- Concentrate the in-house development resources on "professional-grade products."

(2) Proactively reinforce limited internal resources with external capabilities

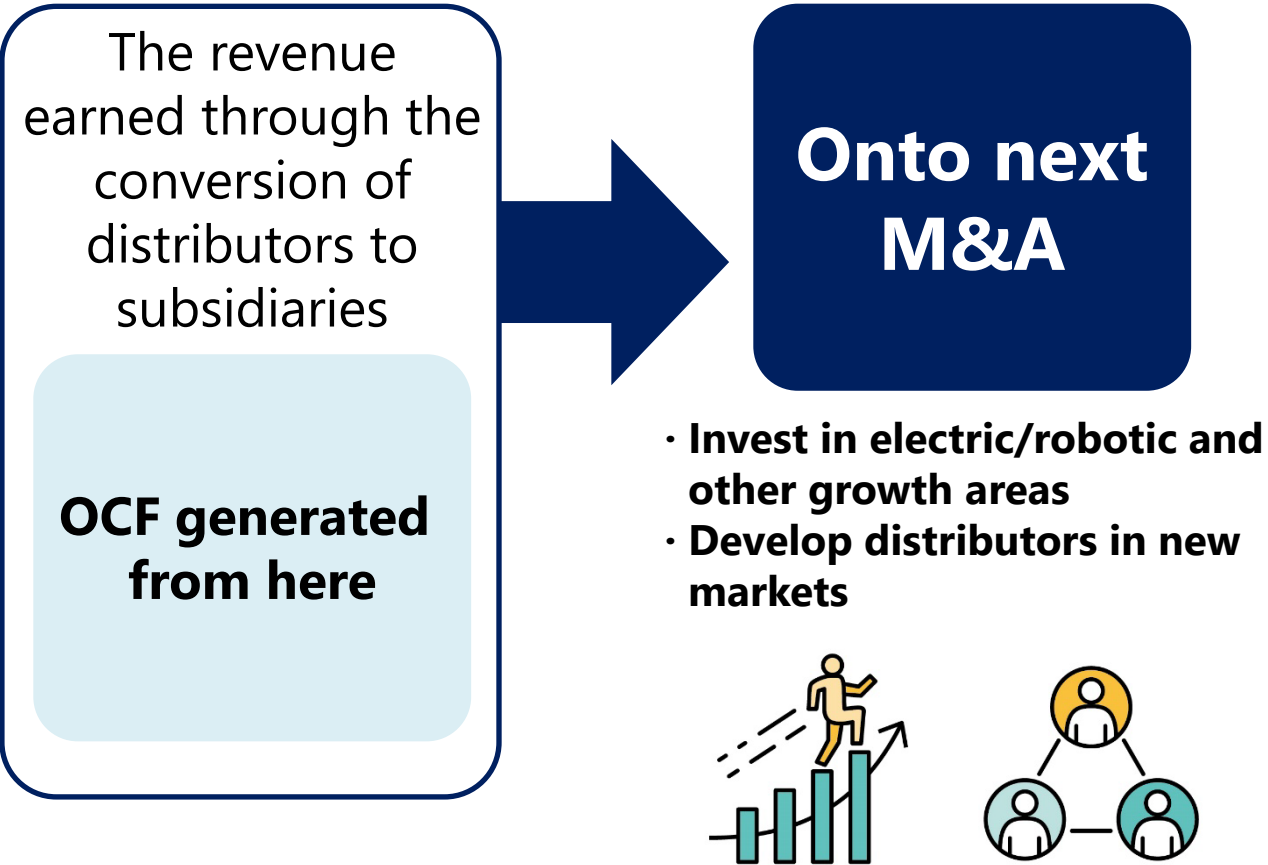
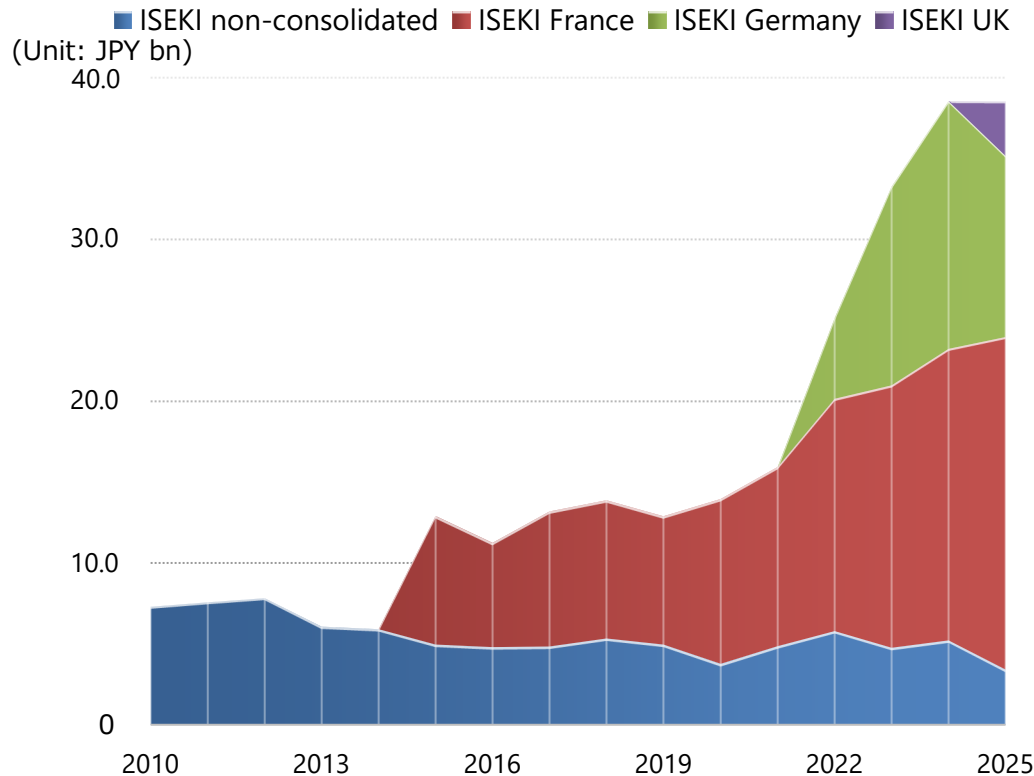
- Expand procurement of products for consumers
- Accelerate the development speed through joint development of electric/robotic products



Growth Pillar (3) Non-organic Growth

- We will convert the returns secured from past investments into operating cash flow and reinvest them in next-generation growth areas to continuously expand our business scale.

**Europe net sales: breakdown
(by company)**

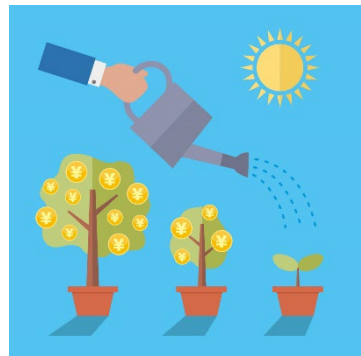


Our 2030 Vision for Europe

- ❑ We will establish ourselves as a **specialist** for landscaping (ex. mowers for professionals, machinery for park/street maintenance, and snow plowing, etc.), designing and customizing products based on market and customer needs.
- ❑ We will enhance capital efficiency and achieve sustainable growth in Europe to truly establish our European business as **highly profitable growth business**.

Net sales
47.0 billion yen or more

Operating margin
10% or more



Returning profits appropriately
**Enhancing
shareholder returns**

Enhancing efficiency by optimizing
inventory management
**Enhancing capital
efficiency**

**A cycle of
highly profitable
growth**

Generating cash continuously
Increasing OCF



Paving the way for the next generation
**Investing in growth areas and
human capital**

Part 3

Domestic Growth Strategy: Large-sized Machinery



Today's Key Point(2)

For domestic business, we aim to transform our revenue structure centered on “large-sized machinery strategy,” built on stable profitability.

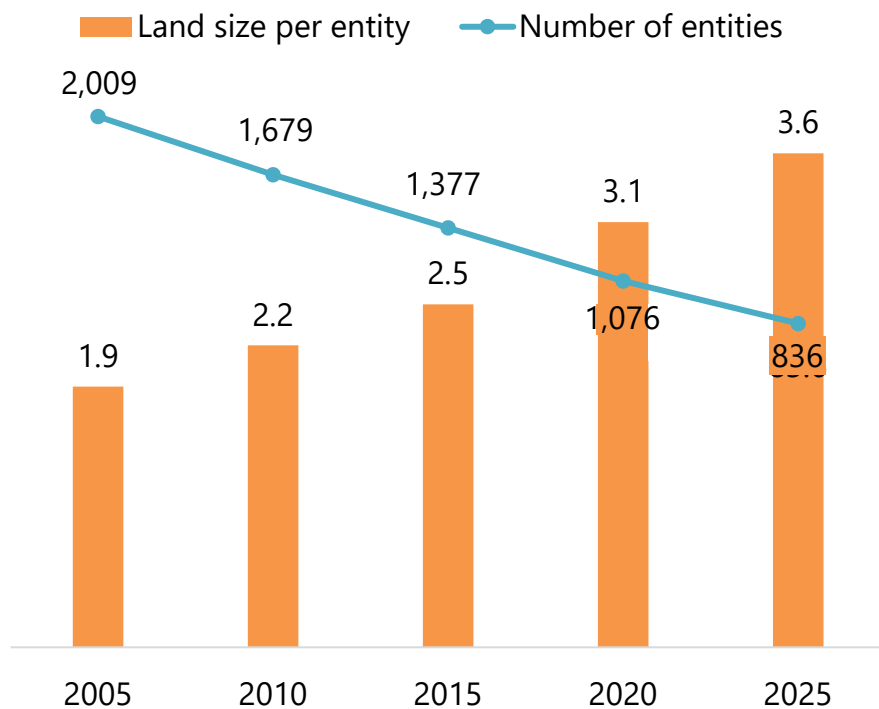


Structurally increase OCF and operating margin over the medium-to-long term

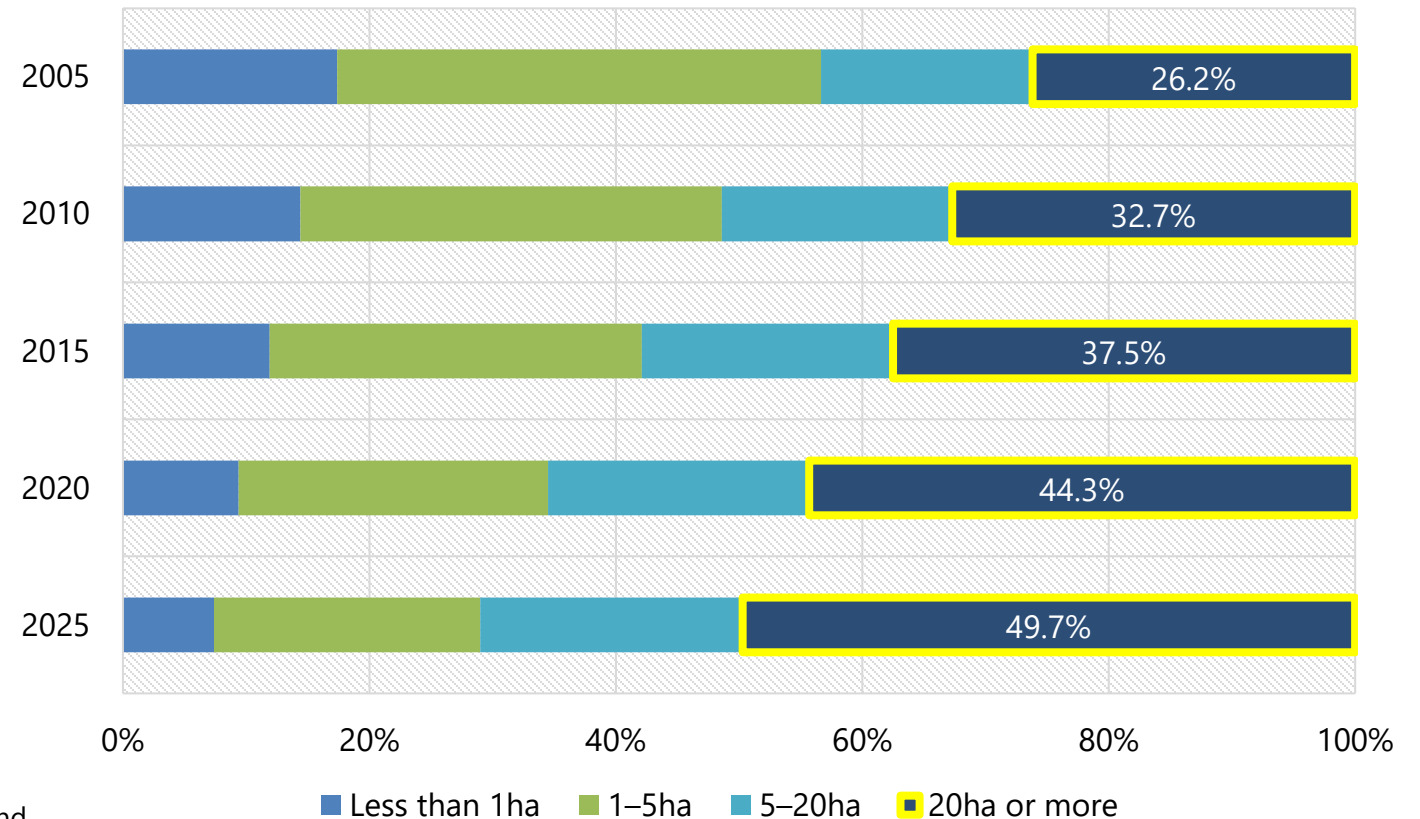
Domestic Market: Background

- Farming will **shift** from family-run operations to **larger-scale** corporate management.
- Wider penetration of large-sized/advanced agricultural machinery is an inevitable shift to address labor shortage and enhance productivity.

Number of agricultural management entities
(Unit: thousand) and
operating cultivated land size per management entity
(Unit: ha)



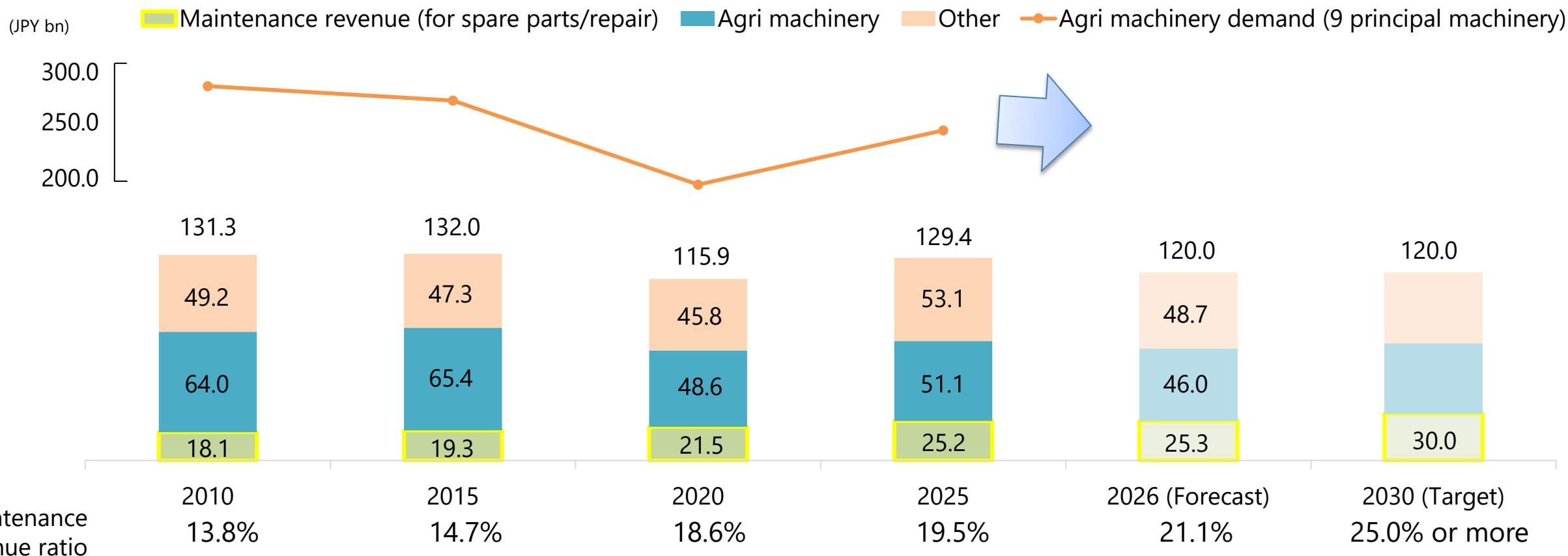
Share of operating cultivated land size
by **operation size**



Source: Census of Agriculture and Forestry by Ministry of Agriculture, Forestry and Fisheries

Domestic Net Sales Trend

- Net sales of agricultural machinery have been declining or remaining flat, mainly for **rice farming and small machinery**.
- As the share of large-sized machinery grows, **maintenance revenue** has shown **year-on-year increases** in both amount and ratio.



*The figures for 2010 and 2015 represent results for the fiscal years ended March 31.

*9 principal machinery: tractors, combine harvesters, rice transplanters, tillers, drying machines, rice huskers, binders, harvesters, treatment

Source: Estimated by ISEKI from statistics provided by the Japan Agricultural Machinery Manufacturers Association

Our Direction toward Growth

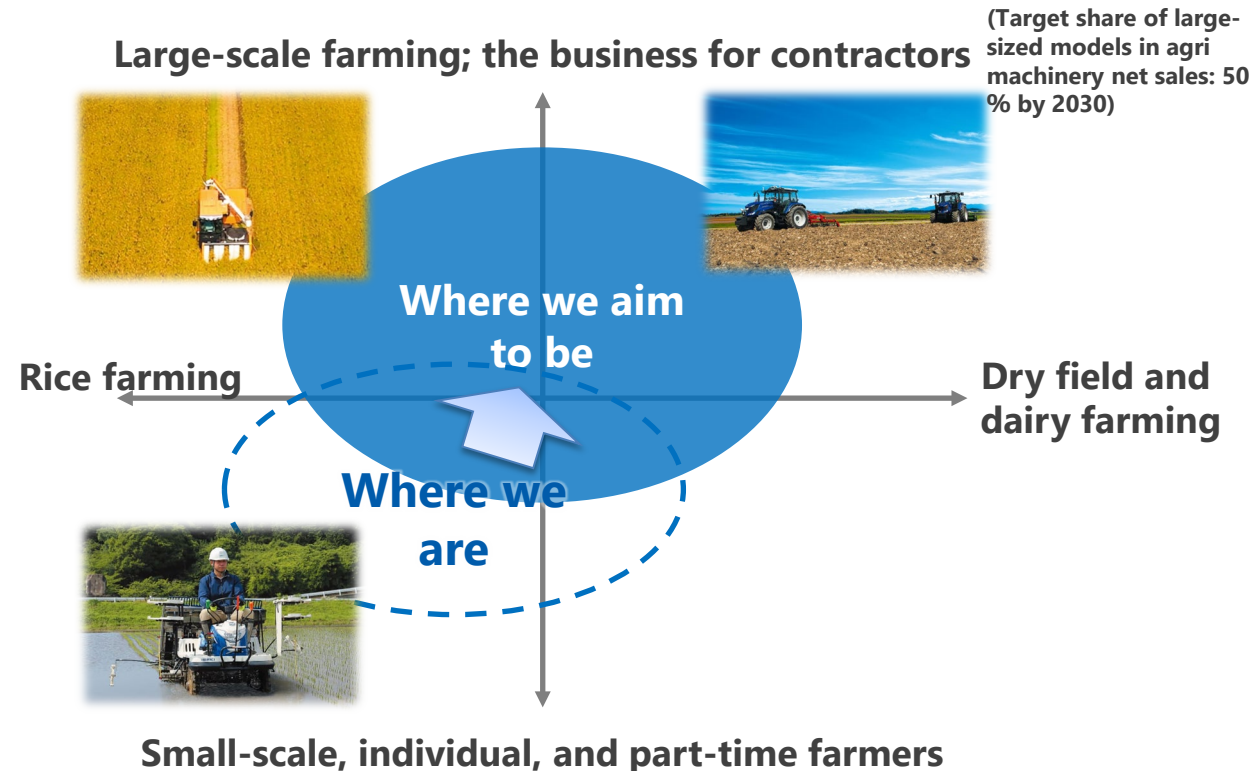
- ❑ Shift resources to large-sized, advanced, dry field and environmentally friendly areas, contributing to sustainable agriculture.
- ❑ Focus especially on large-sized and advanced machinery that covers agricultural labor shortage.

Market trends

- Aging and shrinking farmer population in Japan => Shift toward large-scale and **large-sized** farming
- Insufficient agricultural workforce => Cover with **advanced** technology
- Importance of food security
- Low food self-sufficiency => Promote **dry field** crops and feed production
- Climate change mitigation and adaptation
- Protect ecosystems and sustain future agricultural production => Promote **environmentally friendly** agriculture

Reorganization
Product
development

Direction of the business we aim for

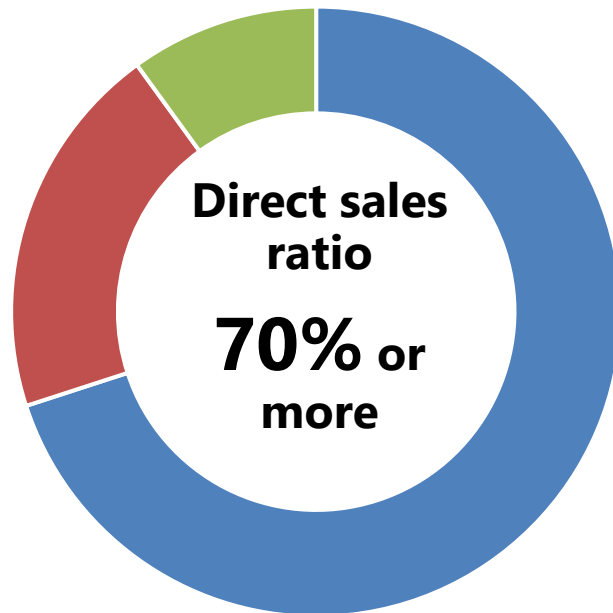


Transforming to a revenue structure centered on
“large-sized machinery,” built on stable profitability

Our Strengths in the Domestic Business

- The high direct-sales ratio combined with enhanced execution capability resulting from the integration allows the centralized commanding section to implement **a well aligned** growth strategy nationwide.

Sales ratio by sales channel



- Direct sales
- via JA Group
- via authorized dealer

ISEKI Japan

Founded on January 1, 2025

6 sales companies over a wide area, Mie ISEKI Sales and ISEKI Business Division were integrated.



“Large-scale Planning Section” functions as the central command and implement the growth strategy across the nation.

Large-scale Planning Section was established at the headquarters of ISEKI Japan.

Approach to Large-scale Farmers

- ❑ Conduct training for sales **talent development**.
- ❑ Strengthen proposals to large-scale customers through practical agri media **Amoni**.

1. Training for large account representative (Group training for regional representatives)

Day 1: Dry direct seeding/imported machinery

Day 2: Onion/potato production mechanization system for large-scale customers

Day 3: Link *agri-note* with agricultural machinery/riding mower SXG



2. Web-based training (for respective districts' sales personnel)

Web-based training is distributed nationwide across the Group before the spring season.

- Contents includes advanced technologies of rice transplanters, Aigamo-Robo (automatic weeding robot), direct seeding cultivation techniques.



Introducing latest machinery and agricultural production technologies recommended for professional farmers!

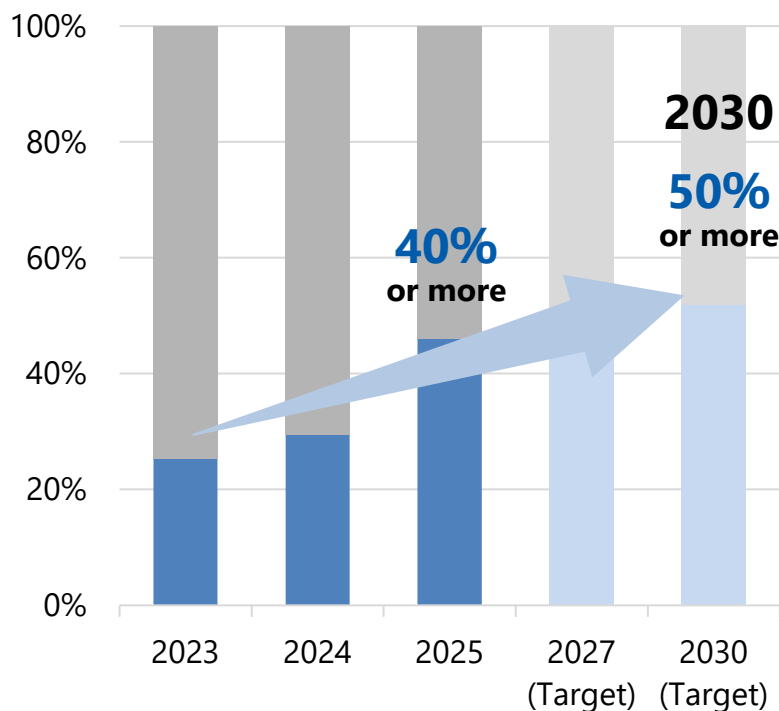
The screenshot shows the Amoni website interface. At the top, there's a navigation bar with the Amoni logo and links for '記事一覧', '積算温度予測', '水稲生育予測', 'Amoniパートナー', 'イベント', and 'お問い合わせ'. Below the navigation bar, there are three main content cards. The first card is titled 'ムダなく!ムラなく! マップデータ連動 可変施肥 活用事例①' and features an image of a tractor with a fertilizer applicator. The second card is titled '水稲 有機栽培 雑草を抑えるほ場準備' and features an image of a tractor with a weeding implement. The third card is titled '整地も除雪も マルチに活躍' and features an image of a tractor with a mulch machine. Below these cards, there's a 'New Content' section with a '新着記事' (New Article) link. The main article is titled '春の展示会in空知中央' (Spring Exhibition in Sorachi Chuo) and includes the date '2026/3/24' and '3月24日(火)・25日(水)にISEKI Japan北海道カンパニー空知中央営業所にて春の展示会を開催しました。'. There are also social media icons for WhatsApp, Instagram, and YouTube. On the right side, there's a 'お知らせ' (Notice) section with a date '2026/3/13' and a link to '【アーカイブ配信開始】アイガモロボ活用講座'. Below that is a '記事検索' (Article Search) section with a search bar and a '人気のキーワード' (Popular Keywords) section with the keyword '#トラクタ'.

The screenshot shows the '予測機能' (Prediction Function) section of the Amoni website. It features a light blue background with the text 'だれでも無料で利用OK' (Available for free to anyone). Below this, there's a heading '予測機能' (Prediction Function) and a sub-heading '積算温度予測・水稲生育予測機能をご利用いただけます' (You can use the accumulated temperature prediction and rice growth prediction functions). There are two icons: a thermometer for '積算温度予測を使う' (Use accumulated temperature prediction) and a rice plant for '水稲生育予測を使う' (Use rice growth prediction). At the bottom, there's a link '初めての方へ >' (For first-time users >).

Large-sized Machinery Model Change

- ❑ In 2026, we will conduct a **model change** of large-sized machinery that accounts for the minimum of 40% of the net sales of our agricultural machinery.
- ❑ We expect to achieve the 2030 target of the minimum 50% large-sized machinery ratio **ahead of schedule**.

Share of large-sized models in agricultural machinery net sales
(Domestic, tractors/rice transplanters/combine harvesters)



Large-sized machinery will undergo a full model change.

1

Tractor BJ series



➤ 65–105 horsepower

2

Rice transplanter PJ series



➤ 8 planting rows

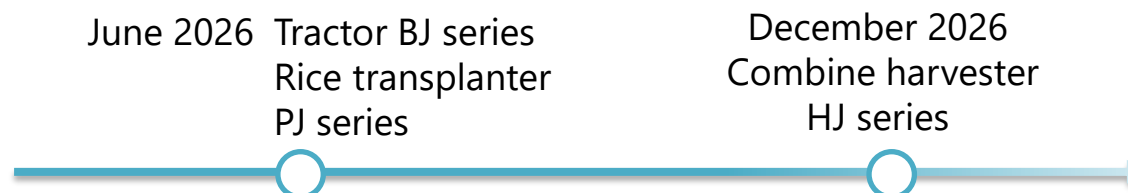
3

Combine harvester HJ series



➤ 6–7 row model

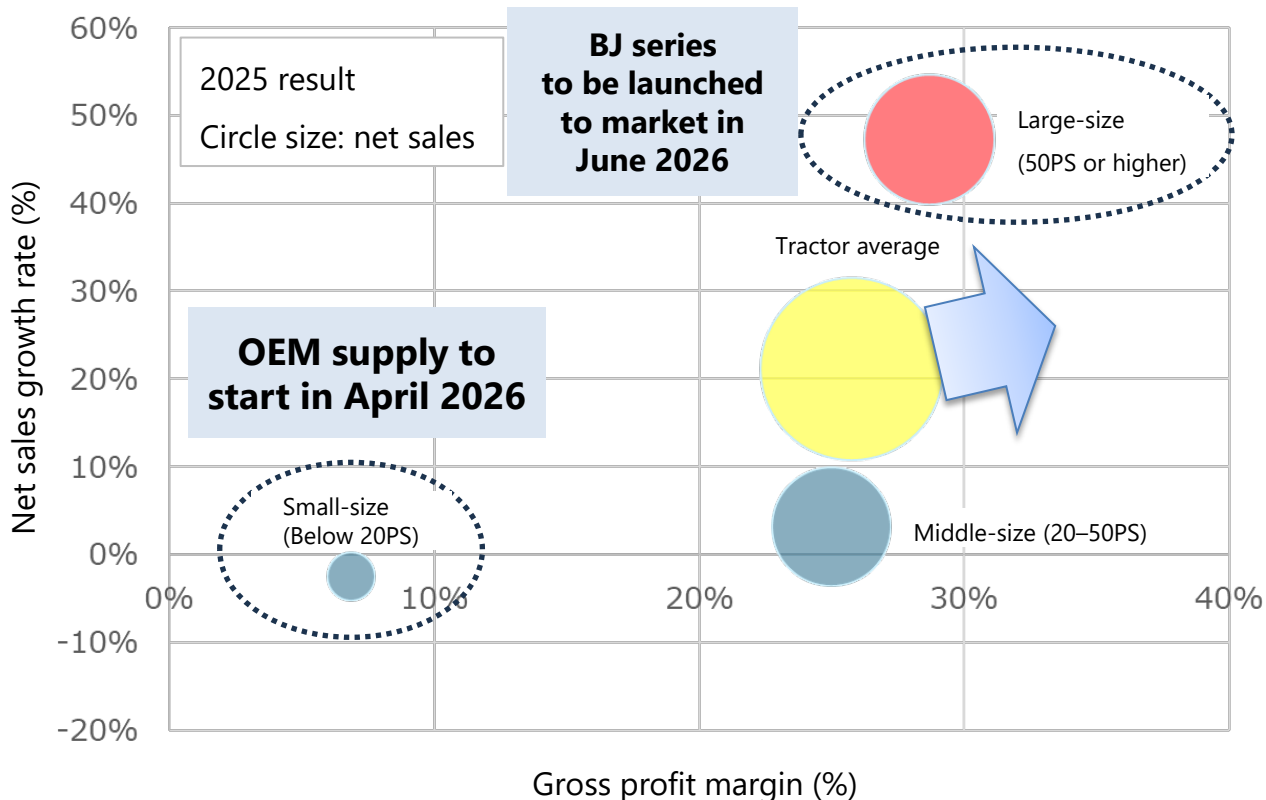
Scheduled model changes



Product Portfolio

- Highly **profitable** large-sized machinery **with strong growth** will go through a model change in 2026.
- For small-sized machinery, the volume will be secured primarily through OEM supply.
- Aiming to enhance the gross profit margin by increasing large-sized machinery share and reducing variable costs.

Ex.) Tractors product portfolio (Domestic: 2025 result/ vs 2023)



Reference) Details of Tractor BJ series

To be released in June 2026



Tractor BJ105/90/74/65

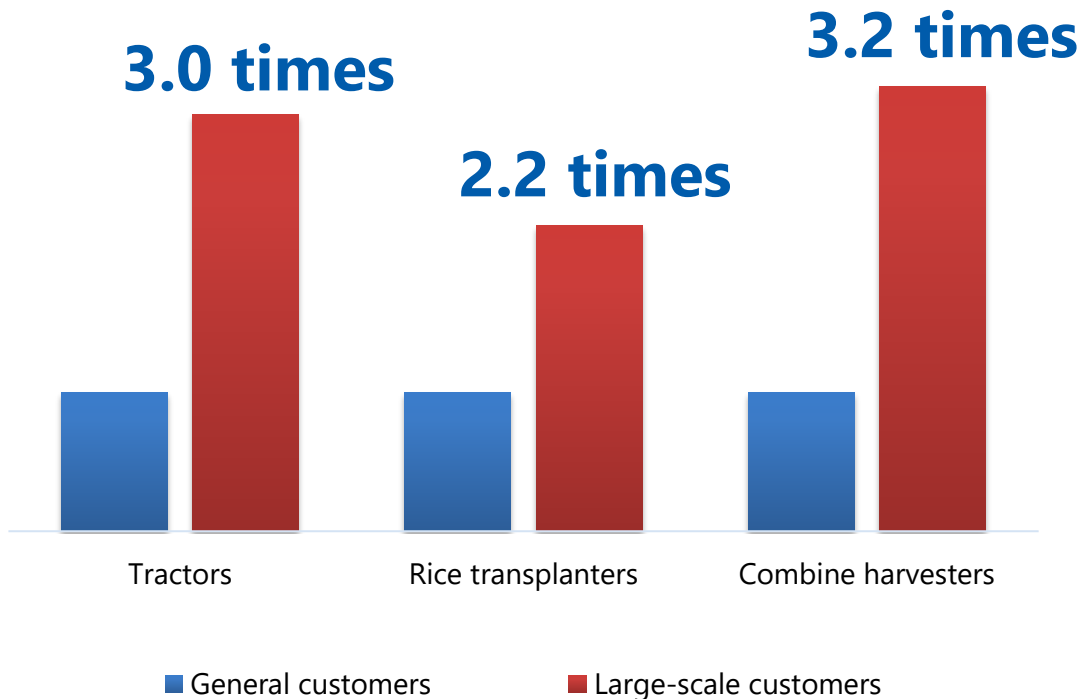


- Equipped with new in-house clean engine
- New continuously variable transmission
- A new-feel, main gear-shift operation that is best matched to continuously variable transmission.

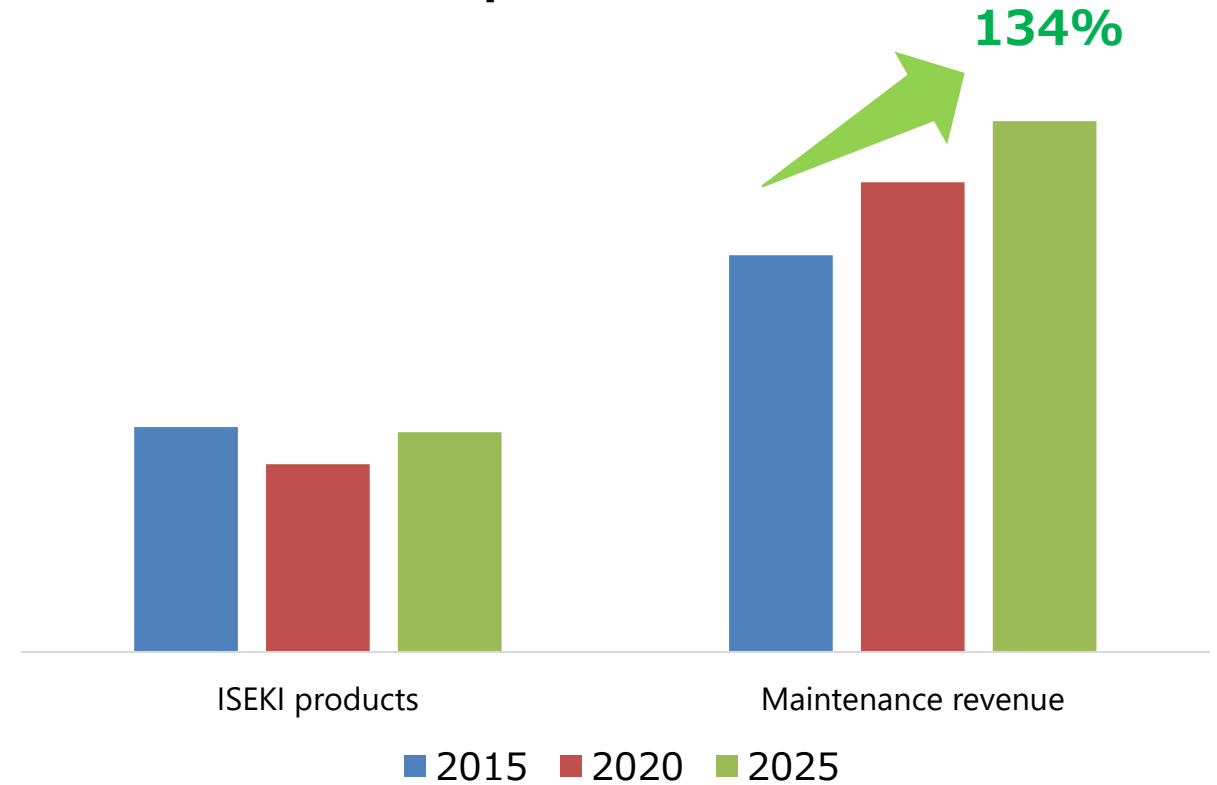
Transform Revenue Structure by Raising Large-sized Machinery Share

- ❑ The annual maintenance revenue from large-scale customers is roughly two to three times that from general customers.
- ❑ Large-sized machinery, which generates higher maintenance revenue because they operate for longer hours, will drive the transformation of revenue structure.

Annual maintenance revenue from large-scale customers, compared to that from the general customers (2025 result)



Reference) Domestic sales companies' gross profit trend



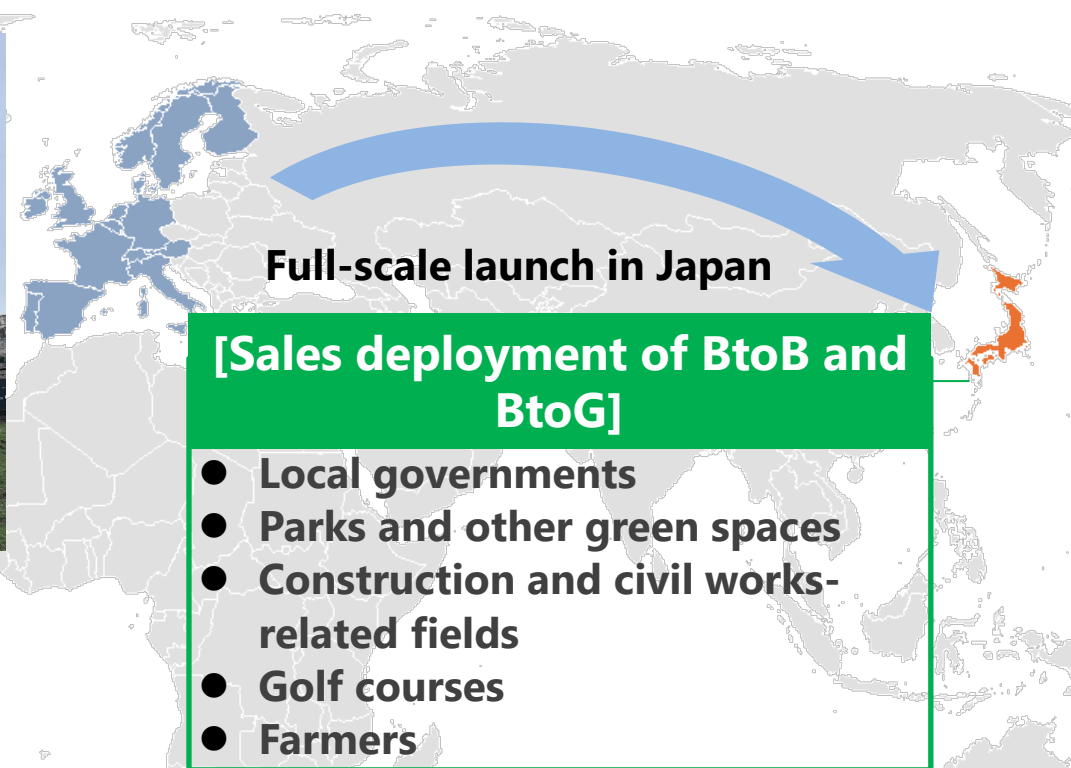
*Large-scale customers: those operating equities in Hokkaido with 30ha or more and those operating in Honshu with 20ha or more

Enhancing Profitability Further (Expand sales channels for Non-Agri markets)

- ❑ Landscape maintenance machinery for Europe will be **fully launched** in Japan.
- ❑ Aiming to expand sales channels for Non-Agri markets in Japan **to create a new revenue source.**



Maintenance work at Windsor Castle (UK)

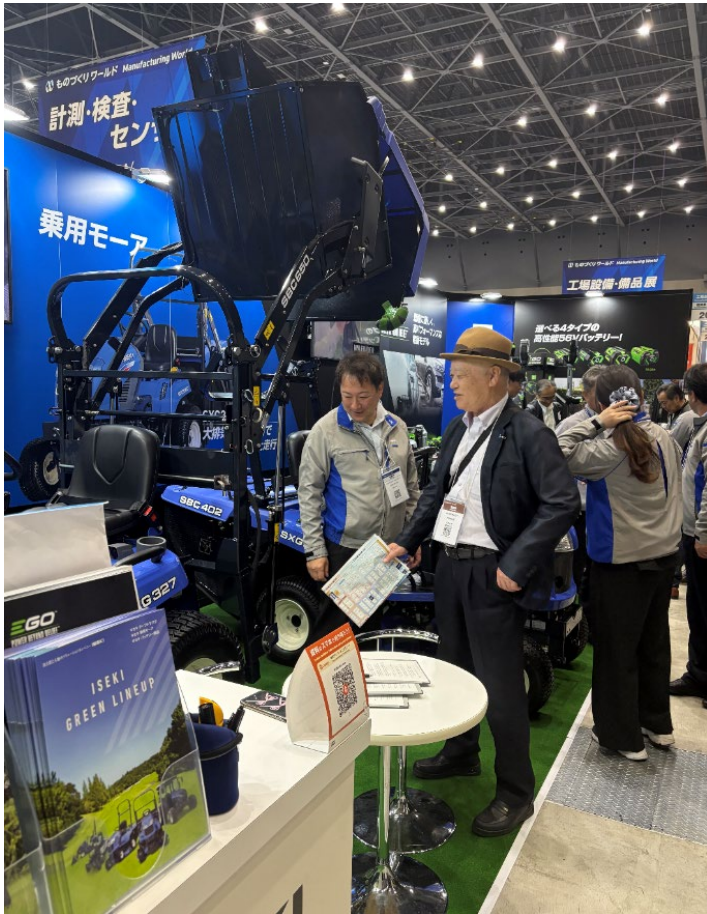


Mowing at Shiroyama Park of Matsuyama Castle

⇒ **We aim to achieve 10 billion yen in net sales of mower-related equipment in Japan by 2030 (2.5 times the level in 2024).**

Expanding Market Reach of Mower-related Equipment in Japan

- ❑ We exhibited at Manufacturing World 2026 Nagoya (April 8–10) for BtoB sales development purpose.
- ❑ Maintenance work for corporate green spaces, parks, etc. were proposed. We aim to expand sales further through on-site demonstration of the machine going forward.



[Scheduled event exhibitions going forward]

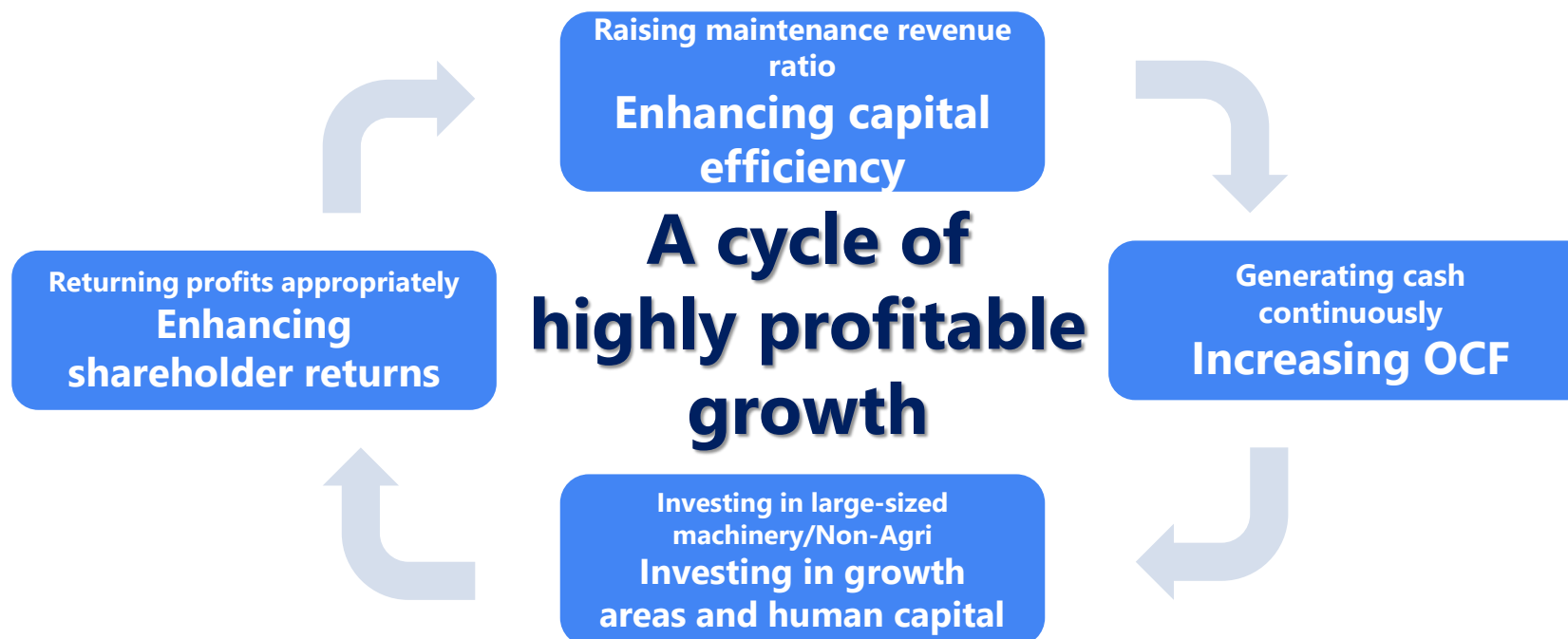
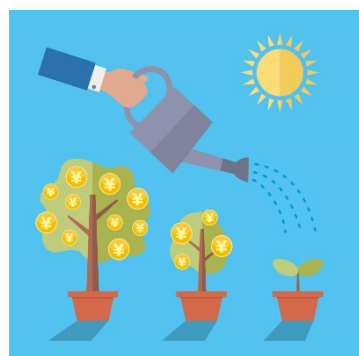
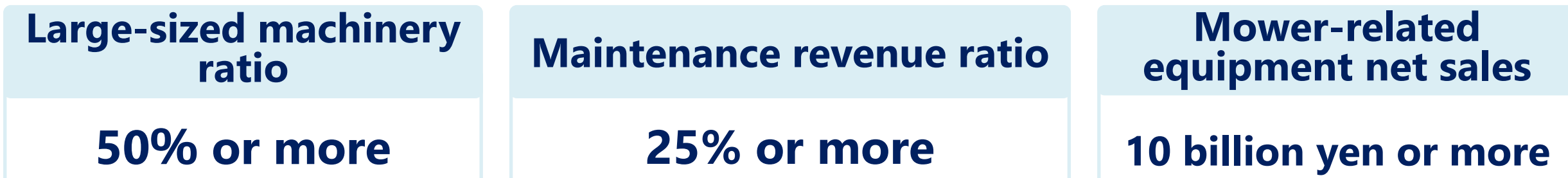
June 23–25 **AGTS Agricultural Exhibition in Aichi** (Aichi Sky Expo Aichi International Convention & Exhibition Center)

July 1–3 **Manufacturing World Tokyo** (Tokyo Big Sight)

October 7–9 **GARDEX** (INTERNATIONAL GARDEN & OUTDOOR EXPO) (Makuhari Messe)

Our Domestic Vision for 2030

- ❑ For domestic business, we aim to transform our revenue structure centered on “**large-sized machinery strategy**,” built on **stable profitability**.
- ❑ Expand large-sized machinery sales => Enhance products’ gross profit margin and increase maintenance revenue.



Part 4

Q&A



Notes on the Future Forecast

- The objective of this presentation document is to provide information and never intends to induce any action.
- 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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