

Supplementary Information to the Three Months of Financial Results
(Apr.1, 2013-June 30, 2013)

					(Billions of yen, %)	
	1 st Quarter FY2013	1 st Quarter FY2014	Variance		1 st Quarter Plan	Variance Amount
			Amount	%		
Net Sales	34.0	34.8	0.8	2.2	37.4	(2.6)
Domestic	29.7	29.1	(0.6)	(2.2)	28.6	0.5
Overseas	4.3	5.7	1.4	33.4	8.8	(3.1)
Gross Profit on Sales	11.4	11.4	0	-	11.5	(0.1)
Gross Profit Margin	33.6%	32.9%	(0.7%)	-	30.7%	2.2%
Selling, General and Administrative Expenses	10.2	10.5	0.3	2.8	10.9	(0.4)
Operating Income	1.2	0.9	(0.3)	(24.0)	0.6	0.3
Balance of Financial Income	(0.2)	(0.2)	0	-	(0.2)	-
Other Non-operating Income	0.2	0.6	0.4	-	0.2	0.4
Ordinary Income	1.2	1.3	0.1	13.6	0.6	0.7
Extraordinary Gains	0.2	0	(0.2)	-	0	-
Extraordinary Losses	(0.1)	0	0.1	-	0	-
Income Before Income Taxes and Minority Interests	1.3	1.3	0	-	0.6	0.7
Income taxes	0.2	0.3	0.1	-	0	0.3
Net Income	1.5	1.6	0.1	7.1	0.6	1.0

1) Comparison with the same period of the previous fiscal year

A. Net Sales: Increased ¥0.8 billion (up 2.2 %) to ¥34.8 billion.

• **Domestic sales decreased ¥0.6 billion (down 2.2%) to ¥29.1 billion.**

Sales of construction of facilities decreased ¥2.1 billion due to absence of major construction works of facilities that had been completed in the same period of the previous year. However, sales of agricultural machinery increased ¥0.7 billion as a whole centering on tractors on the back of improved income of farmers through firmly established individual household income compensation system and rice price that stayed high, as well as continued favorable demand since the previous year such as the restoration demand. Sales of farming implements/parts also increased ¥0.5 billion linked with the increased sales of tractors.

• **Overseas sales increased ¥1.4 billion (up 33.4%) to ¥5.7 billion**

Sales for North American market increased ¥1.3 billion mainly due to effect of injection of new product utility tractor of which shipment started from November of last year. Sales for China/other Asia increased ¥0.1 billion respectively, and Europe/Oceania remained in line with the level of last year.

B. Operating income: Decreased ¥0.3 billion (down 24.0%) to ¥0.9 billion.**Ordinary income: Increased ¥0.1 billion (up 13.6%) to ¥1.3 billion.**

- Operating income decreased ¥0.3 billion to ¥0.9 billion due to increased selling, general and administrative expenses including distribution cost and personnel expenses, coupled with increased fixed cost such as development cost, in spite of earnings recovery effects due to increased sales and modified strong yen.
- Ordinary income increased ¥0.1 billion to ¥1.3 billion mainly due to occurrence of foreign exchange gains, while operating income decreased.

C. Quarterly net income: Increased ¥0.1 billion to ¥1.6 billion.

- Quarterly net income increased ¥0.1 billion to ¥1.6 billion.

2) Comparison with the plan**A. Net sales: Decreased ¥2.6 billion to ¥34.8 billion**

- Domestic sales increased ¥0.5 billion to ¥29.1 billion due to sales of parts & farming implements that increased ¥0.3 billion, in addition to sales of agricultural machinery products of agricultural machinery that shifted almost in line with the plan.
- For overseas sales, however sales in Chinese market increased only slightly from last year, it decreased ¥2.9 billion compared with the plan, mainly due to influence of delayed announcement of the subsidy policy and reduced subsidy for some products.

Overseas sales as a whole decreased ¥3.1 billion to ¥5.7 billion due to influence of the shift in shipping time of tractors to North American market and continued inactive demand in European market.

B. Operating income, ordinary income and net income

- Operating income decreased ¥0.3 billion to ¥0.9 billion covering deteriorated profit due to reduced sales of overseas subsidiaries by favorable turn of gross margin due to increased domestic production/sales and reduced selling, general and administrative expenses, etc.
- Ordinary income increased ¥0.7 billion to ¥1.3 billion due to increased foreign exchange gains coupled with increased operating income.
- Net income showed a favorable turn of ¥1.0 billion to ¥1.6 billion.

(Reference: Sales Breakdown)

				(Billions of yen)	
	1 st Quarter FY2013	1 st Quarter FY2014	Variance	1 st Quarter Plan	Variance
Agricultural Machinery	15.2	15.9	0.7	15.9	-
Parts & Farming implement	6.3	6.8	0.5	6.5	0.3
Construction of Facilities	2.7	0.6	(2.1)	0.4	0.2
Others	5.5	5.8	0.3	5.8	-
Domestic Sales Total	29.7	29.1	(0.6)	28.6	0.5
North America	1.4	2.7	1.3	2.9	(0.2)
Europe	0.9	0.9	-	1.1	(0.2)
China	1.1	1.2	0.1	4.1	(2.9)
Other Asia	0.2	0.3	0.1	0.2	0.1
Oceania and Others	0.1	0.1	-	0.1	-
Product Sales Total	3.7	5.2	1.5	8.4	(3.2)
Repair Parts	0.3	0.3	-	0.3	-
Engines and others	0.3	0.2	(0.1)	0.1	0.1
Overseas Sales Total	4.3	5.7	1.4	8.8	(3.1)
Total	34.0	34.8	0.8	37.4	(2.6)

II. Business performance forecast for the fiscal year ending March 31, 2014

- During the first quarter consolidated cumulative period, while sales decreased compared with the plan mainly due to delayed announcement of the subsidy policy and reduced amount of subsidy for some products in China, profits increased due to delayed occurrence of selling, general and administrative expenses and foreign exchange gains, etc. For future prospects, we have not made revisions to the business performance forecasts announced on May 13, 2013 in view of existence of many uncertain factors such as concerns for fluctuation of sales and foreign exchange caused by economic trend of both domestic and overseas, and downward pressure on earnings such as rising prices of raw materials.

[Forecasts of the consolidated business performance for the second quarter (cumulative) of the fiscal year ending March 31, 2014]

	(April 1, 2013-September 30, 2013)		(Billions of yen)	
	2 nd Quarter FY2013	2 nd Quarter FY2013 Forecast	Variance	
			Amount	%
Net Sales	80.4	83.5	3.1	3.8
Domestic	69.4	68.0	(1.4)	(2.1)
Overseas	11.0	15.5	4.5	41.0
Operating Income	4.1	3.2	(0.9)	(22.0)
Ordinary Income	3.8	3.2	(0.6)	(16.3)
Net Income	3.0	1.9	(1.1)	(37.4)

[Forecasts of the consolidated business performance for the fiscal year ending March 31, 2014]

	(April 1, 2013-March 31, 2014)		(Billions of yen)	
	FY2013	FY2014 Forecast	Variance	
			Amount	%
Net Sales	155.7	163.0	7.3	4.7
Domestic	133.0	135.0	2.0	1.5
Overseas	22.7	28.0	5.3	23.7
Operating Income	5.1	5.5	0.4	6.9
Ordinary Income	5.4	5.0	(0.4)	(7.7)
Net Income	4.0	3.4	(0.6)	(14.6)

* With respect to company forex rates of the company, we have assumed ¥95 against the US dollar (unchanged) and ¥125 against Euro (unchanged).