



February 12, 2016

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Notice of Differences between Consolidated Business Performance Forecast and Actual Results for the Fiscal Year Ended December 31, 2015

ISEKI & CO., LTD. (the “Company”) announces that there are differences between its consolidated business performance forecast for the fiscal year ended December 31, 2015 (April 1, 2015 to December 31, 2015) released on November 11, 2015 and the actual results released today.

1. Differences between the consolidated business performance forecast and the actual results for the fiscal year ended December 31, 2015 (April 1, 2015 to December 31, 2015)

(Millions of Yen)

	Net Sales	Operating Income	Ordinary Income	Profit (Loss) Attributable to Owners of Parent	Loss per Share (yen)
Previous Forecast (A)	148,500	1,000	700	(1,800)	(7.97)
Actual Result (B)	145,210	460	947	(1,465)	(6.49)
Difference (B-A)	(3,290)	(540)	247	335	
Rate of Change (%)	(2.2)	(54.0)	35.3	—	
(Ref.) Results for the Fiscal Year Ended March 2015	157,417	(535)	499	(319)	(1.40)

Note: The fiscal year-end of the Company has been changed to December 31 from March 31, effective as of the fiscal year ended December 31, 2015. As a transitional treatment for the fiscal year ended December 31, 2015, as for subsidiaries which adopted March 31 as the fiscal year-end, the nine-month results (from April 1, 2015 to December 31, 2015) are included in the consolidated financial results. For subsidiaries which adopt December 31 as the fiscal year-end, the twelve-month results (from January 1, 2015 to December 31, 2015) are included in the consolidated financial results, as in the past.

[Reasons for differences]

With respect to differences between the consolidated business performance forecast for the fiscal year ended December 31, 2015 and the actual results, the reasons are summarized as follows:

- Net sales amounted to ¥145.2 billion, with ¥3.3 billion short of the forecast.

Domestic net sales amounted to ¥122.5 billion, ¥3.1 billion short of the forecast. Sales of overall agricultural machinery were ¥2.6 billion short of the forecast as sales of domestic agricultural machinery between October and December fell below the forecast. This decrease was mainly due to sales carryover to the next term arising from a delay in the selection of agricultural practitioners to receive the grants under the leasing program. In addition, sales of other agriculture-related products including materials were ¥0.5 billion short of the forecast.

(Domestic -¥3.1 billion: Agricultural machinery -¥2.6 billion; farming implements -¥0.1 billion; spare parts -¥0.1 billion; construction of facilities +¥0.2 billion; others -¥0.5 billion)

Overseas net sales amounted to ¥22.7 billion, ¥0.2 billion short of the forecast. Sales in North America and Asia except China were ¥0.1 billion above the forecast, respectively, while sales in

China were ¥0.4 billion short of the forecast mainly due to a delay in the shipment of rice transplanters.

(Overseas -¥0.2 billion: North America +¥0.1 billion; Europe -¥0.1 billion; China -¥0.4 billion;

Asia except China +¥0.1 billion; spare parts and others +¥0.1 billion)

- In terms of profits, operating income was ¥0.5 billion short of the forecast mainly due to a decrease in gross profit as a result of the amount generated from sales of agricultural machinery in Japan (October to December) being lower than forecasted, although reductions in expenses reached ¥3.0 billion, excluding the impact of the changes in the consolidation segments, against the annual plan of ¥2.6 billion.

Ordinary income was ¥0.2 billion above the forecast mainly thanks to the posting of foreign exchange gains and increased income at entities accounted for using the equity method, despite the decrease in operating income.

Income before income taxes was in line with the forecast due to the posting of a surcharge, despite the increase in ordinary income and a gain on sales of investment securities, etc.

Loss attributable to owners of parent was ¥0.3 billion less than forecasted thanks to a decrease in tax burden.