

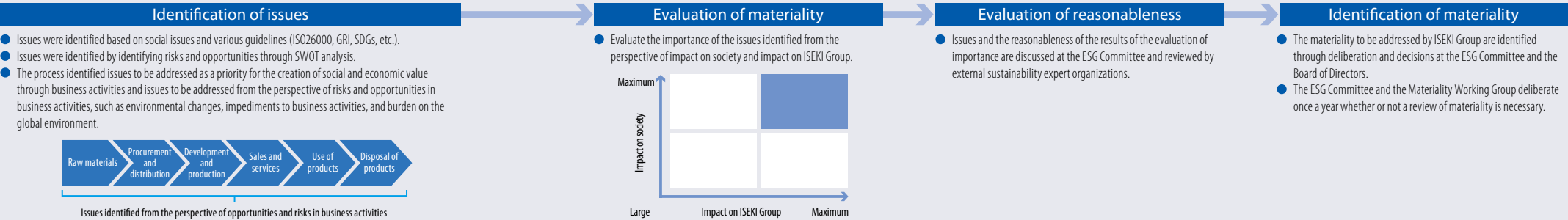
Materiality

The Company has determined the materiality to strike balance between solving social issues and sustainable growth of ISEKI Group. Following the establishment of “Project Z” in November 2023, KPIs were partially changed to those in line with the “Project Z” measures, starting from 2025.

|                                                              | Materiality                                                                                                                                             | Vision (2030)                                                                                                                                                                                                                                                         |                                                                                                                                | Related SDGs                                                                                                                                                                                                                                                                                                                                                                                                                      | Risks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Opportunities                                                                                                                                                                                                                                                 | Project Z management KPI                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Business KPI                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                              | Status of activities |
|--------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Value creation through business                              | Common                                                                                                                                                  | Develop products and generate business that contribute to the creation of a prosperous and sustainable society                                                                                                                                                        |                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                   | Response to changes in policies of individual governments<br>Competition with other companies, changes in economic conditions and the environment of agriculture<br>Climate change, reduction of environmental burden, natural disasters, infectious diseases, etc.<br>Lagging behind Chinese and other competitors in the European and U.S. electric product markets                                                                                                                                                                                    | New demand and needs<br>Generation of business and creation of new value through innovation<br>Increased demand for electric products<br>Dissemination of electric products in the landscaping business and personal hobby market                             | Consolidated net sales<br>Net sales of ISEKI products<br>Productivity per person: 20% increase from 2023 levels (2027)<br>Optimization of personnel                                                                                                                                                                                                                                                                                                                                                             | Productivity per person (each business division)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                              | P37-50               |
|                                                              |                                                                                                                                                         | Reduce types and models by 30% or more (2030)<br>Results as of December 31, 2025: Implemented as planned                                                                                                                                                              |                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                              |                      |
|                                                              |                                                                                                                                                         | Improved agricultural productivity                                                                                                                                                                                                                                    | Japan                                                                                                                          | Contribute to the realization of sustainable agriculture through the dissemination and promotion of agriculture that uses smart agricultural machinery and data                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Decline in the number of farms in Japan, advancing age of farmers, and slowdown of demand due to an increase in contracting of farm work                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Larger scale of Japanese agriculture, diversification of crops<br>Develop measures to ensure the stability of food supplies<br>Dissemination of smart agriculture (data-driven and environmentally sound agriculture)<br>Partnerships with entities in other industries through DX                                                                                                                                                                                                                                                                                               | Over 50% of ISEKI's product sales accounted for by large-sized machinery (2030)<br>Results as of December 31, 2025: over 40% | P37-40               |
|                                                              |                                                                                                                                                         |                                                                                                                                                                                                                                                                       | Asia                                                                                                                           | Contribute to the improvement of productivity through the mechanization of agriculture by providing agricultural machinery to suit individual countries and regions, leveraging the rice- growing technologies developed in Japan                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Progress in mechanization of agriculture in ASEAN, India, and other regions<br>Spread of smart agriculture in East Asia and other regions<br>(Data-driven and environmental conservation agriculture)<br>Expansion of price competitive products manufactured by TAFE into the ASEAN market                                                                                                                                                                                                                                                                                      | Overseas net sales: 80.0 billion yen or more (2030)<br>Results as of December 31, 2025: 56.3 billion yen                     | P41-44               |
|                                                              | Improvement of quality of life                                                                                                                          | North America                                                                                                                                                                                                                                                         | Support the enhancement of private lives including hobby gardening and farming through provision of small-sized tractors, etc. |                                                                                                                                                                                                                                                                                                                                                  | Lowering of prices, rise of Indian, South Korean, and Chinese competitors<br>Chinese and other manufacturers leading the competition of electrification                                                                                                                                                                                                                                                                                                                                                                                                  | New demand for electric products, etc.<br>Contribute to the SDGs such as "Sustainable cities and communities" by increasing sales of our products                                                                                                             | European net sales: 47.0 billion yen or more (2030)<br>Results as of December 31, 2025: 38.5 billion yen                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                              |                      |
|                                                              |                                                                                                                                                         | Europe                                                                                                                                                                                                                                                                | Contribute to the development of pleasant communities by safeguarding beautiful landscapes and environments                    |                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                              |                      |
| Realization of a decarbonized and recycling-oriented society | Contribute to the realization of a decarbonized and recycling-oriented society through business activities that take the environment into consideration |                                                                                                                                                                                                                                                                       |                                               | Suspension of product and service provision systems due to natural disasters such as typhoons and floods<br>Increase in costs due to introduction of carbon tax and rising energy prices<br><br>Tightening of environment-related regulations and standards<br>Decline in demand due to changing market needs<br>Decline in competitiveness due to delays in responding to GHG emission reduction solutions<br>Reputational risks | Cost reduction through the introduction of facilities with high environmental efficiency<br>Minimization of resource consumption<br>Production activities with low environmental burden by curbing waste generation<br><br>Increase in demand for products and services that accommodate changes in the agricultural environment<br>Improvement of the image of agriculture and the Company<br>• Conservation of energy and labor<br>• Reduction of GHG emissions<br>• Reduction of fertilizer and agrochemicals<br>• Expansion of organic farming, etc. | —<br><br>—                                                                                                                                                                                                                                                    | Reduction rate of group-wide CO <sub>2</sub> emissions (compared with 2014): 46% (in 2030)<br>Results as of December 31, 2025: 39.2%<br>Reduction rate of final volume of waste (compared with 2013): 71% (in 2030)<br>Results as of December 31, 2025: 63.8%<br>Eco-product sales in Japan (%): 85% (in 2030)<br>Results as of December 31, 2025: 55.3%<br>Domestic land area organically farmed (rice): 5,000 hectares (in 2030)<br>Results as of December 31, 2025: 487.8 hectares *estimated by the Company |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | P59-64                                                                                                                       |                      |
|                                                              |                                                                                                                                                         |                                                                                                                                                                                                                                                                       |                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                              |                      |
| Improvement of financial performance                         | Transformation to a lean and streamlined business structure                                                                                             | Build a management structure and foundation that can respond to changes in the environment and strive to achieve sustainable growth and enhance corporate value                                                                                                       |                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                   | Fluctuations in production caused by changes in economic conditions and the environment<br>Stock market trends, price decline in land and other fixed assets<br>Exchange rate fluctuations<br>A hike in interest rate, rise of an obligation to pay back loans early because financial covenants are triggered                                                                                                                                                                                                                                           | Establishment of an optimal production system capable of responding to changes<br>Improvement of management efficiency and sophistication of business management<br>Capital investment in line with growth strategies, diversification of procurement methods | Product gross profit margin<br>Inventory turnover ratio: 2.4x or more (2027)<br><br>—                                                                                                                                                                                                                                                                                                                                                                                                                           | Product variable costs: Reduced by 10% or more (2027)<br>Results as of December 31, 2025: The effect of product profit margin improvement materialized as planned<br>Inventory turnover ratio (each business division)<br>D/E ratio: 0.7x (in 2030)<br>Results as of December 31, 2025: 0.79x<br>Selling, general and administrative expenses ratio: 2.5% to 3.0% improvement from 2023 (2027)<br>Production optimization investment: 38.0 billion yen (in 2030)<br>Non-current asset turnover ratio: maintain 1.7x (2027)                                                       |                                                                                                                              | P25-28, P45-47       |
| Building of a resilient management base                      | Enhancement of employee engagement                                                                                                                      | Secure core human resources to execute business strategies<br>Maximize each individual's abilities and develop human resources with a spirit of challenge to bring about change<br>Provide employees with secure and safe workplaces, and create rewarding workplaces |                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                | Shortage of labor power, outflow of human resources<br>Rigid organization and culture due to homogeneity and bias of human resources<br><br>An impact of property and personal damage on our business<br>Reputational risk and damages due to industrial accidents<br>Human rights violations due to labor issues (harassment, overtime work, etc.)                                                                                                                                                                                                      | Improvement of ability to generate innovations through retention and development of women, experts, and foreign nationals<br><br>Improvement of motivation and productivity<br>Ensuring the health and safety of employees                                    | Investment in human capital: 2.0 billion yen (in 2027)                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Ratio of female employees in managerial positions: at least 7% (in 2030)<br>Results as of December 31, 2025: 5.0%<br>Foreign nationals in managerial positions: to be increased from the current level (in 2030)<br>Results as of December 31, 2025: 0<br>Ratio of mid-career hires in managerial positions: at least 7% (in 2030)<br>Results as of December 31, 2025: 10.4%<br>Overall satisfaction rate in engagement surveys: at least 70% (in 2030)<br>Results as of December 31, 2025: 52.3%                                                                                |                                                                                                                              | P31-36               |
|                                                              |                                                                                                                                                         |                                                                                                                                                                                                                                                                       |                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                              |                      |
|                                                              | Enhancement of brand value (building of trust)                                                                                                          | Make our presence felt by solving social issues, leading to development of the relationships of trust with stakeholders and mitigation and prevention of risks                                                                                                        |                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                | Serious defects in products and services<br>Dependence on specific suppliers, soaring raw material prices, difficulty in procurement, and supply chain disruptions<br>Reputational risk                                                                                                                                                                                                                                                                                                                                                                  | Capturing customers and fans with secure, safe, and cost-effective products and services<br>Building trust with suppliers<br>Stabilization of business through a sense of presence in the region, enhancement of brand value, and co-existence                | —                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Strengthen relationships with local communities<br>Seminars and exhibition tours: 6 times in total (2026)<br>Results as of December 31, 2025: 6 times<br>Enhancement of customer satisfaction<br>Degree of satisfaction with each survey item: (Scheduled to conduct customer satisfaction survey in 2026)<br>Suppliers' CSR questionnaire response rate: 100% (in 2030)<br>Results as of December 31, 2025: 89%<br>Suppliers' green procurement rate: at least 85% (in 2026)<br>Results as of December 31, 2025: 82%                                                            |                                                                                                                              | P57-58, P50, P57     |
|                                                              | Enhancement of corporate value by reinforcing corporate governance                                                                                      | Respond to changes in the business environment swiftly and accurately, and maintain fair management                                                                                                                                                                   |                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                | Risks in general<br>• Risk of legal violation<br>• Risks related to information security<br>• Risks derived from international business activities, and others<br><br>Impact of stock price slump                                                                                                                                                                                                                                                                                                                                                        | Stabilization of business activities<br>Transformation through prompt management decision and appropriate risk taking                                                                                                                                         | —                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Establishment of the Group's three-line system<br>Results as of December 31, 2025: Establishment completed (Continue to promote strengthening of the Group's three-line system)<br>Number of material legal violations and scandals occurred: zero occurrence<br>Results as of December 31, 2025: May 9, 2025 Recommendation based on violation of the Subcontract Act (currently the Act on Optimization of Consigned Transactions with Small and Medium Sized Enterprises)<br>Material information security incident: zero occurrence<br>Results as of December 31, 2025: zero |                                                                                                                              | P69-74, P77-80       |
|                                                              |                                                                                                                                                         | Strive to disclose necessary information promptly and accurately, and create a transparent company                                                                                                                                                                    |                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Promotion of awareness and understanding through information disclosure<br>Establishment of trust through constructive dialogue                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Number of dialogues held with shareholders and investors: at least 100 times/year (in 2027)<br>Results as of December 31, 2025: 86 times<br>Compliance with information disclosure regulations                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                              | P29-30, P56          |

Materiality identification process

In identifying materiality, materiality has been examined from both aspects of the realization of corporate philosophy and long-term vision of ISEKI Group and social issues. While striving to align with the vision and management strategies and based on the suggestions from the dialogue with external sustainability expert organizations, senior management discussed and partially revised materiality to be addressed.



Financial and capital strategies

Link the pillars of Project Z to growth strategies and realize improvement in capital efficiency and sustainable corporate value

Kazuya Tani  
Director & Senior Corporate Officer  
In charge of Corporate Planning,  
Public & Investor Relations, and Finance



Looking back on 2025

In 2025, which marked the 100th anniversary of the Company's founding, the Company posted net sales of 185.7 billion yen, operating income of 4.2 billion yen, and net income of 2.7 billion yen, achieving year-on-year increases in both revenues and profits. Net sales reached a record high, and the operating margin was 2.3%. It was a year in which the results of the fundamental structural reforms and growth strategies promoted under Project Z began to appear in quantitative terms.

On the balance sheet, the reduction of inventories, which was an urgent issue, progressed at a higher level than planned with a decrease of 9.1 billion yen from the previous fiscal year due to growth in domestic sales and improved efficiency in inventory management. Although total assets increased due to a rise in the securities investments share price and capital investments based on Project Z, net assets increased due to the recording of net income and an increase in unrealized gains on available-for-sale securities, and the equity ratio improved to 35.2%. Net cash provided by operating activities amounted to 23.4 billion yen due to an increase in profit and the effect of reducing inventories, making a significant contribution to the reduction of interest-bearing debt. As a result, the D/E ratio was 0.8 times, significantly improving the Company's financial soundness.

Project Z

The main measures of Project Z were largely as planned, and their effects are steadily appearing. In terms of fundamental structural reforms, we are promoting various measures such as optimizing the personnel structure, investing in human capital, and cutting expenses, centered on the three pillars of "optimizing production," "optimizing development," and "deepening domestic sales." We have already completed the termination of production at the Kumamoto Factory and the integration of domestic sales companies. From 2026, the effects of fixed cost reductions and operational efficiency improvements will become more apparent. As for our growth strategy, overseas, we have strengthened our development in highly profitable regions, mainly in Europe, and in Japan, we have achieved results by concentrating management resources on growth fields. In the second year of Project Z, we generated 1.5 billion yen in profit as a result of fundamental structural reforms and growth strategies, and took the first step toward improving profitability. We are steadily building a business foundation for sustainable growth from 2026 onward.

Current status of PBR

2025 was a year when stock prices showed signs of improvement. To date, the Company's share price has remained low due to delays in responding to changes in the external environment and low profitability. However, in 2025, in addition to the effects of Project Z measures, the Company's performance improved as it accurately captured the increased purchase motivation of farmers against the backdrop of a recovery in rice prices. As a result, market valuations changed, and stock prices rose toward the middle of the year. However, it subsequently entered an adjustment phase against the backdrop of uncertainties regarding the outlook for rice prices and other factors, and PBR was around 0.5x as of the end of 2025.

In order to achieve PBR of 1.0x or more, it is essential to strengthen IR activities in addition to improving profitability and capital efficiency. Through active dialogue with stakeholders and the expansion and sophistication of information disclosure, we will help them understand the feasibility of the Company's initiatives for its business foundation and growth, and receive an appropriate evaluation from the market.

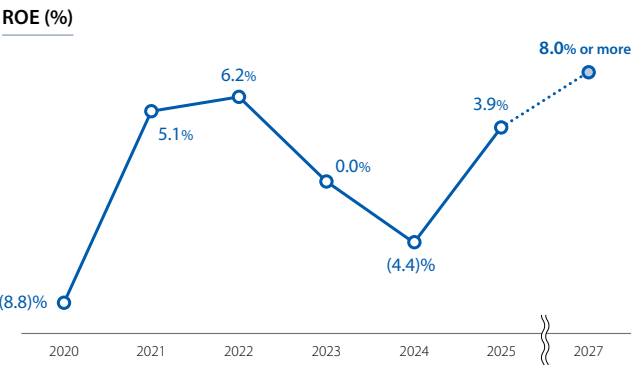
Initiatives to improve capital efficiency through Project Z

There remains a significant gap from the PBR of 1.0x or more targeted under Project Z. ROE, a component of PBR, has not generated a return on capital exceeding the cost of equity expected by investors. We aim to achieve ROE of 8% or higher by 2027 through thorough management that is conscious of capital cost and capital efficiency.

While the Company is responding to multimodal needs through the development of a wide range of models and an extensive sales network, margins are low. Asset efficiency is also an issue due to high inventory levels and low capacity utilization.

In 2025, both the net income margin and total asset turnover ratio improved due to increased profit and inventory reduction, but further improvement is necessary.

In Project Z, which is a business structural reform without exceptions, we are steadily implementing "fundamental structural reform" and "growth strategy," and promoting both improvement of profitability and asset efficiency.



Improvement of profitability

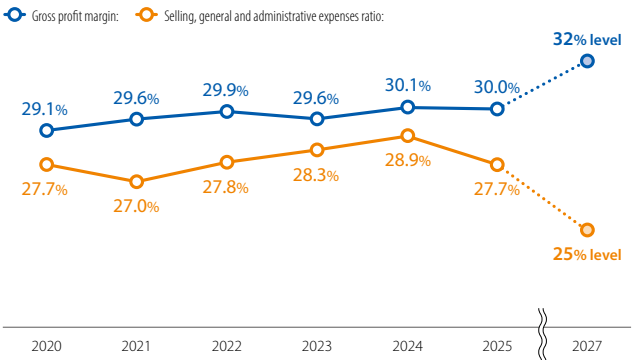
With the aim of improving profitability, we will focus on projects that make a significant contribution to earnings by identifying the profitability and growth potential of each business based on the management decision of "concentrating management resources on priority areas."

In terms of "production optimization," we are promoting the leveling of slack associated with the production of seasonal products through the restructuring of production bases. At the same time, by restructuring our procurement and logistics systems, we will establish a system that enables us to respond flexibly to seasonal changes, and promote improvements in productivity and inventory efficiency. In addition, we will work to improve our earnings structure by optimizing the allocation of fixed costs through effective utilization of human resources.

In "development optimization," we will focus development themes on priority areas based on growth areas and customer needs, and promote the optimal allocation of development resources. As a result, we will improve both profitability and development efficiency, and increase the recoverability of development investments.

In terms of "deepening domestic sales," in addition to unifying organizations and improving operational efficiency through the launch of ISEKI Japan, we will optimize working capital through a review of our inventory and distribution systems. In this way, we will establish a foundation to support our growth strategy by reallocating cash generated to growth areas.

Gross profit margin and selling, general and administrative expenses ratio (%)

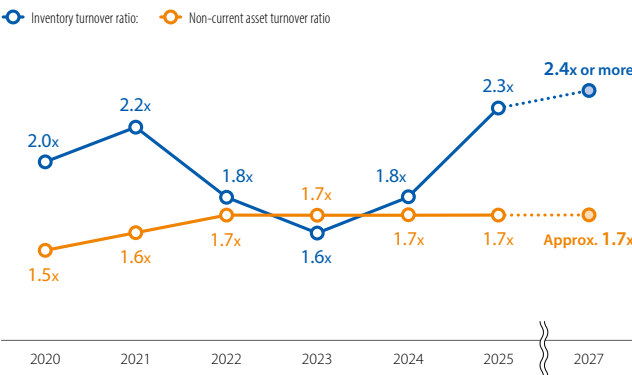


Enhancement of asset efficiency

As for inventories, we are close to achieving the 2027 target of 2.4x or more, making progress ahead of plan. Going forward, we will promote unified inventory management through the integration of domestic sales companies and cooperation with overseas subsidiaries, while developing a supply chain strategy to further reduce inventories.

Although non-current assets are expected to increase due to the reorganization of production bases and the restructuring of core systems, the Company will maintain and improve the turnover rate through the sale of surplus real estate, etc. When making capital investment decisions, we apply a hurdle rate, which represents margin plus the cost of capital, to improve capital efficiency and profitability. We will thoroughly apply hurdle-rate-based investment decisions, aiming to achieve both investment restraint and improved efficiency.

Inventory turnover ratio and non-current asset turnover ratio (times)



MENU GUIDE

What ISEKI Group aims for

Key Points of ISEKI Report 2026

ISEKI Group's value creation

Management strategies to improve corporate value

Materiality 23

Financial and capital strategies 25

Dialogue with shareholders and investors 29

Human resource strategies 31

Domestic Market Strategies 37

Overseas Market Strategies 41

Product/Development Strategies 45

Product roundtable discussion 51

Management foundation to support sustainable growth

Financial and non-financial data

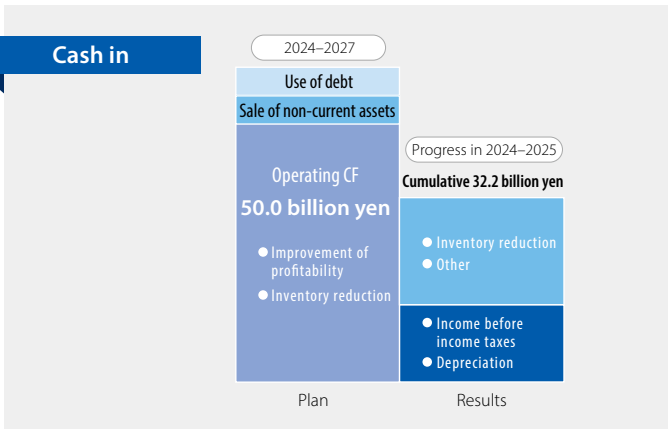
Company information / Stock information

Financial and capital strategies

Cash allocation through 2027

Cash in

The cumulative total of operating cash flow from 2024 to 2025 was 32.2 billion yen, compared with the cumulative total of 50.0 billion yen planned for the period from 2024 to 2027, showing steady progress. In addition, each measure of Project Z is expected to increase operating income by approximately 7.5 billion yen in 2027, and is expected to contribute to achieving the plan. We will continue to promote the improvement of profitability and asset efficiency through Project Z, and enhance our ability to generate operating cash flow.



Operating CF: cumulative 50.0 billion yen, 2024–2027

- Expand operating income by improving profitability  
➔ Project Z effect: 7.5 billion yen in 2027
- Reduce inventories by integrating domestic sales companies and concentrating product assembly  
➔ Inventory turnover ratio of 2.4x or more by 2027

Monetization of non-current assets

- Liquidation of surplus real estate  
➔ Sale of the Kumamoto Plant where production was terminated  
➔ Merger and abolition of domestic sales bases

Cash out

Through each of the measures promoted under Project Z, we will improve capital efficiency and strengthen our ability to create sustainable cash flows. At the same time, we will allocate funds to growth investments, the reduction of interest-bearing debt, and shareholder returns, and establish a virtuous cycle of cash flows.

Growth investment

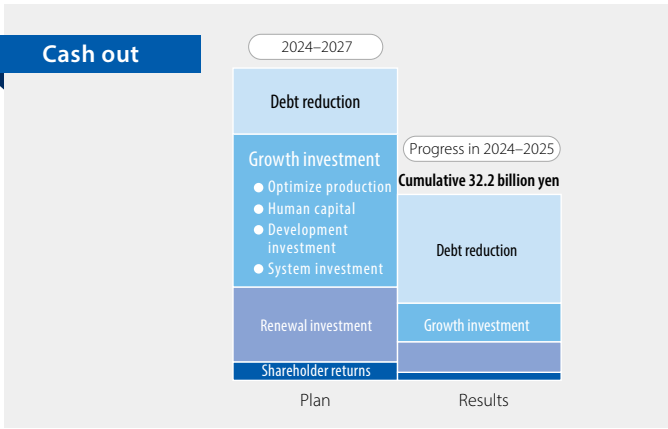
Under “production optimization” in Project Z, we are consolidating production bases with the aim of building a stable business foundation through improving production efficiency and reducing fixed costs. We plan to invest a total of 38.0 billion yen from 2024 to 2030, and have completed the transfer of production of combines and hydraulic components. During the two years from 2026 to 2027, the Company will concentrate investment on the Matsuyama Factory to improve productivity.

In addition, as a means of concentrating management resources on priority areas, in addition to non-organic investments such as the development of new market agencies in European businesses and investments in large-sized machinery and Non-Agri businesses in Japan, the Company aims to strengthen its future earnings base by investing in human capital that supports sustainable growth.

Interest-bearing debt and shareholder returns

Interest-bearing debt is expected to increase temporarily due to long-term borrowing associated with investment in production optimization that will enter full swing from 2026. On the other hand, by improving our ability to generate operating cash flow and selling surplus assets, we will control interest-bearing debt and keep the D/E ratio at 0.8x or less.

For 2026, the Company plans to continue raising the dividend, to ¥45. In addition, we will increase profitability and asset efficiency through Project Z measures, and achieve DOE of 2% or more in 2027.



Growth investment

- Production optimization investment: cumulative 38.0 billion yen, 2024–2030  
Integrated product assembly functions and restructured component production system  
➔ Streamline and level production, improve productivity
- Concentrate management resources on growth segments  
Europe: New market development, product expansion, non-organic strategy  
Japan: large, cutting-edge, field crops, and environment; Non-Agri  
➔ Cycle of high earnings growth

Interest-bearing debt:

- D/E ratio maintained at the same level as in 2025  
➔ D/E ratio of 0.8x or less in 2027

Shareholder returns

- Increased dividends for two consecutive fiscal years, ¥40 in 2025 and ¥45 in 2026  
➔ DOE of 2.0% or more in 2027

Toward improved corporate value

Positioning of Project Z - Building a Foundation for Sustainable Growth

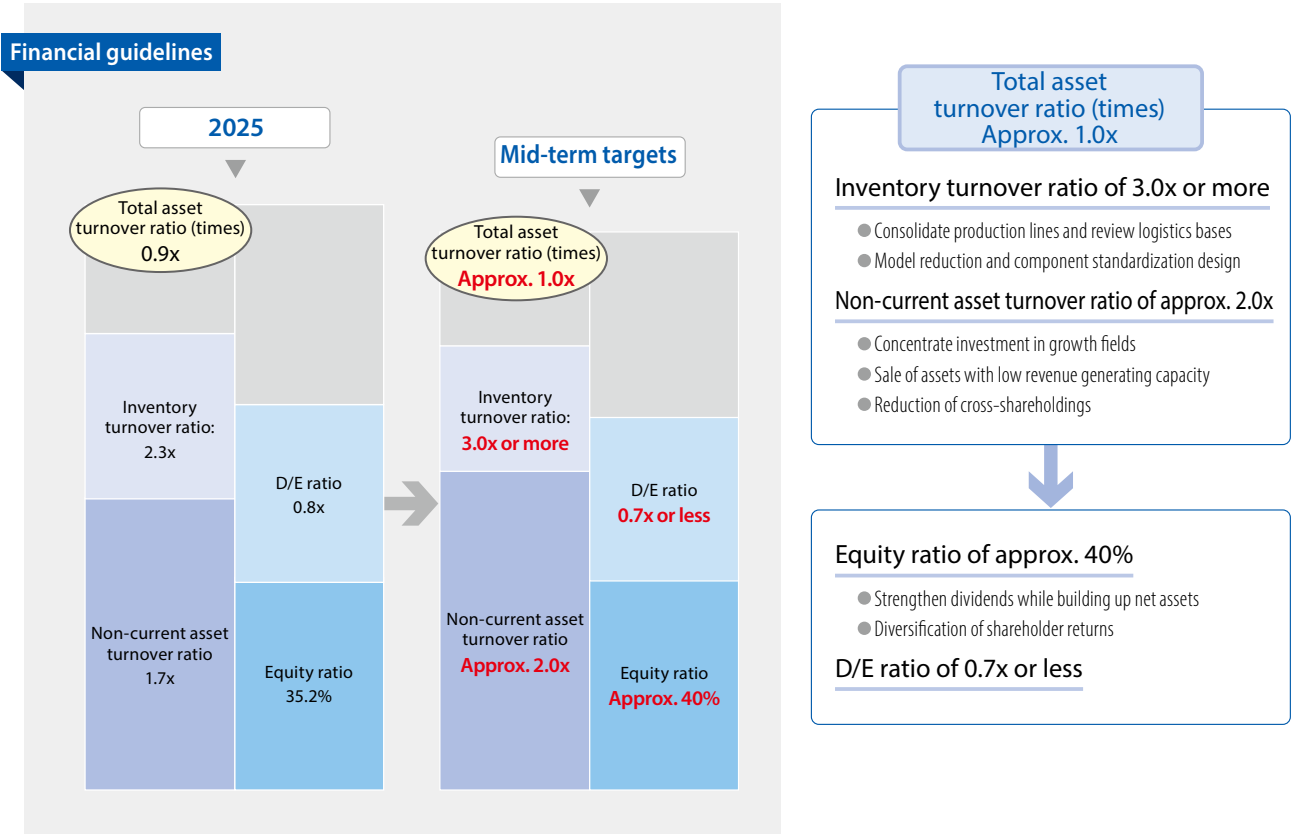
ISEKI Group recognizes low profitability and imbalances in the financial structure as important management issues. The completion of the Project Z initiatives is a prerequisite for realizing sustainable growth, and is an initiative aimed at rebuilding our management foundation in view of the new 100 years. As a new start, rather than improving short-term performance, we will steadily implement each measure and strengthen our earnings structure and financial base.

Basic Policies and Guidelines for Financial Strategy

The Company’s basic financial policy for sustainable growth and improved corporate value is to “ensure financial soundness, optimize growth investments and shareholder returns, and improve capital efficiency,” and the following financial guidelines are set as medium-term target levels.

- Total asset turnover ratio: approx. 1.0x
- D/E ratio: 0.7x or less
- Equity ratio: approx. 40%

The Company will enhance asset efficiency, increase total asset turnover, strengthen the ability to generate operating cash flow, and improve financial soundness by restraining the D/E ratio. By securing an equity ratio of around 40%, we aim to build a financial base that enables us to balance growth investments with shareholder returns.



Beyond Project Z

The main measures of Project Z are generally progressing as planned, and profitability is steadily improving as a result of structural reforms. On the other hand, the Company’s PBR remained at around 0.5x as of the end of 2025, and improving capital efficiency continues to be an important management issue.

ISEKI Group is currently in the transition phase from rebuilding its earnings base through structural reforms to management with growth in mind. While keeping pace with the progress toward achieving the operating margin of 5% set for 2027, we will further deepen our review of cash allocation and optimize the balance between growth investments, shareholder returns, and financial soundness. In addition, by continuously refining the framework for capital allocation, the Company will achieve both profit growth and improved capital efficiency, and establish the reproducibility of growth. At the same time, we will build a financial base that is both sound and flexible, enabling agile management decisions even in an environment of high uncertainty.

MENU GUIDE

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ISEKI Group's value creation

| Management strategies to improve corporate value |    |
|--------------------------------------------------|----|
| Materiality                                      | 23 |
| Financial and capital strategies                 | 25 |
| Dialogue with shareholders and investors         | 29 |
| Human resource strategies                        | 31 |
| Domestic Market Strategies                       | 37 |
| Overseas Market Strategies                       | 41 |
| Product/Development Strategies                   | 45 |
| Product roundtable discussion                    | 51 |

Management foundation to support sustainable growth

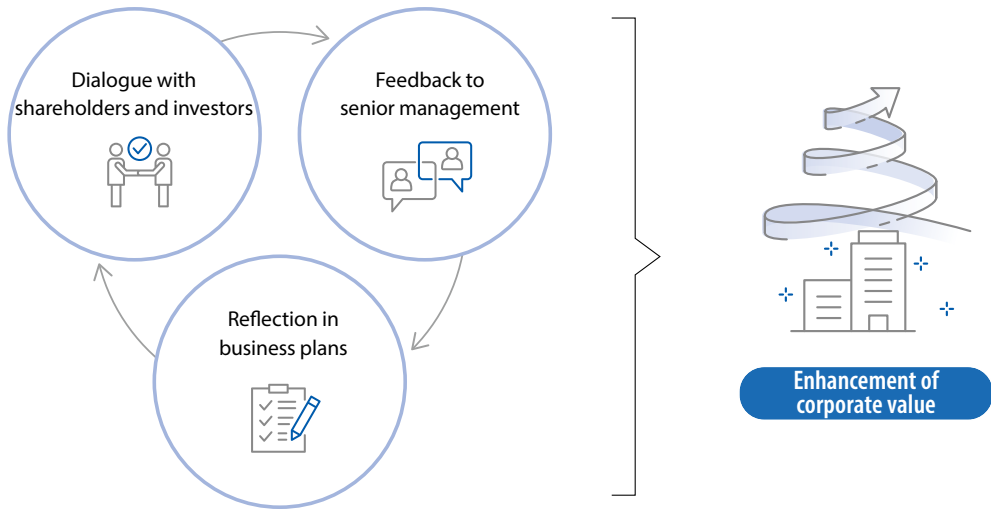
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Dialogue with shareholders and investors

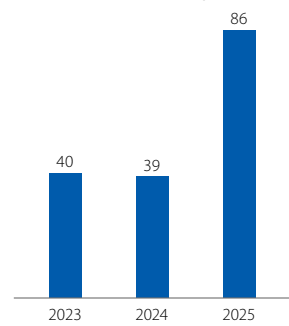
Basic Policy (Fundamental concept)

- The Company believes that, in achieving sustainable growth and enhancing its corporate value in the medium to long term, an important initiative is to build relationships of trust with shareholders and investors by explaining its management policies in detail and engaging in constructive dialogue with them. The Company holds quarterly financial results briefings and briefings for individual shareholders by the representative director in an effort to enhance opportunities for directors and other officers to engage in dialogue with shareholders and investors. The issues, expectations, etc. obtained through various dialogues are fed back to the directors, management executives, and related departments by way of distributing reports, etc. to the Board of Directors and other meeting bodies for the purpose of information sharing and reflected in and used for improvement of business activities.
- Our basic policy in information disclosure is to “disclose information properly to fulfill social accountability” and “endeavor to promptly disclose accurate information required from inside or outside of the Group in recognition of the importance of social accountability and thereby become a company with transparency.” In order to obtain an appropriate evaluation of the Group from all stakeholders, including shareholders, investors, customers, business partners, local communities, and employees, as well as to ensure the transparency of management, the Company shall endeavor to disclose management related information, etc. concerning the Group in a fair, just, timely, and appropriate manner, in accordance with the intent and significance of the Fair Disclosure Rules.

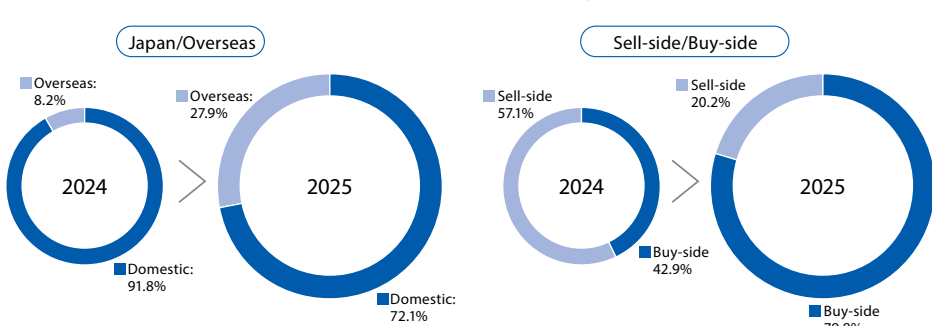


Status of dialogue with stakeholders (FY2025)

Number of dialogues (cases)



Attributes of stakeholders who participated in dialogue



Main themes and matters of interest

|                                           |                                                                                                                                                                                                                             |                                    |                                                                                                                             |
|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Performance-related management strategies | ● ISEKI Group's strengths<br>● Demand trends in businesses<br>● Project Z Measures and their progress status<br>● Management conscious of capital cost and capital efficiency<br>● Management system for business portfolio | ESG-related matters                | ● Status of response to climate change<br>● Status of initiatives related to human capital<br>● Officer compensation system |
|                                           |                                                                                                                                                                                                                             | Share price and shareholder return | ● Issues and responses related to share price and PBR<br>● Direction of shareholder return policy                           |

Opportunities for dialogue and ISEKI's coordinators

| Details                                   | ISEKI's coordinators                                                                                                                                                    | 2025 Results                          | Method of meetings, sessions, etc.                                                                                         |
|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| Ordinary general meeting of shareholders  | All Directors and Audit & Supervisory Board Members                                                                                                                     | Once                                  | Face-to-face                                                                                                               |
| Quarterly briefing sessions               | All executive directors                                                                                                                                                 | 5 times                               | ● Online or hybrid of online and face-to-face<br>● Disclosure of briefing materials, videos and transcripts on the website |
| Individual meetings                       | Director in charge of investor relations, Director in charge of Finance, General Manager of Public & Investor Relations Section, and General Manager of Financial Dept. | 86 times<br>(FY2025 target: 50 times) | Online or face-to-face                                                                                                     |
| Facility tours/New product presentations  | President and Representative Director, Director in charge of investor relations, and others                                                                             | 2 times                               | Face-to-face                                                                                                               |
| Presentation meeting                      | President and Representative Director, Director in charge of investor relations, and others                                                                             | 2 times                               | Online or hybrid of online and face-to-face                                                                                |
| Facility tour for individual shareholders | President and Representative Director, Director in charge of general affairs, and others                                                                                | Once                                  | Face-to-face                                                                                                               |
| IR Fair for Individual Investors          | President and Representative Director, Director in charge of investor relations, and others                                                                             | Once                                  | Participation in IR Fair                                                                                                   |
| Response to inquiries                     | IR and general affairs departments                                                                                                                                      | As required                           | Dialogue through the website, phone, email, etc.                                                                           |

TOPIC Participated in Nikkei TSE IR Fair 2025

Aiming to strengthen dialogue with individual investors, we exhibited at the “Nikkei TSE IR Fair 2025” held in September 2025.

At the booth, young employees directly explained the Company's initiatives, including an overview of the business, creating a lively dialogue with the visitors.

In addition, at the venue of the briefing session, the President himself spoke about the Company's business strategies and the direction of future growth. There were so many attendees that some had no seats and listened while standing.

Your opinions and questions are valuable suggestions for the Company's IR activities and management decisions.



TOPIC Held a presentation meeting

In 2025, the number of individual dialogues with institutional investors and analysts increased.

While there has been a certain level of understanding of the Company's recent improvements in business performance and structural reforms, there have been many comments such as, “What kind of growth do you envision beyond the structural reform of Project Z?”

Based on these dialogues, explanations were focused on two themes: the European business, which is the core of the Company's overseas growth strategy, and the large-sized machinery strategy, which is a pillar of the Company's domestic growth strategy. We will continue to strive to promote understanding and improve corporate value through interactive dialogue.

 Materials, etc.  
<https://www.iseki.co.jp/ir/management/zplan/>

Feedback to management executives

Opinions from shareholders and investors, their interests, and matters of concern learned through dialogue are reported as necessary to the management executives in a timely manner under the supervision of Public & Investor Relations Section. Information relating to the Company's business is fed back to related departments as needed to have it reflected in and used for improvement of business activities.

| Details                                                                                                                                                                                            | Method of reporting                                                                                                                                  | Frequency     | Target                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------------------------------------------------------------|
| Individual meetings with investors or analysts<br>Opinions, requests, etc. from shareholders and investors<br>Indicators related to shares and share price information<br>Reports on IR activities | An overview of the interview is reported                                                                                                             | Each time     | All Directors                                                         |
|                                                                                                                                                                                                    | Information including an overview of the interviews and the status of share price is reported at a meeting of the Public Relations Liaison Committee | Monthly       | Directors' Operation Committee members                                |
|                                                                                                                                                                                                    | Information including an overview of the interviews and the status of share price is reported at a meeting of the Board of Directors                 | Every quarter | Members of the Board of Directors                                     |
|                                                                                                                                                                                                    | Opinions from shareholders and investors and topics of great interest are reported at a top executive meeting                                        | Monthly       | Representative Director, and Director in charge of investor relations |
| Other reports (related to shareholders and investors)                                                                                                                                              | Information including shareholder composition and trends in shareholdings by institutional investors and others are reported as necessary            | Each time     | Directors' Operation Committee members, and others                    |

Examples in which ISEKI incorporated shareholder views learned from dialogues

| Opinions, requests, etc.                   | Response by ISEKI                                                                                                                                              |
|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strengthen dissemination of IR information | ● Disclosure of transcript of financial results briefing session<br>● Participation in events for individual investors and holding business briefings (online) |

MENU GUIDE

|                                                     |    |
|-----------------------------------------------------|----|
| What ISEKI Group aims for                           |    |
| Key Points of ISEKI Report 2026                     |    |
| ISEKI Group's value creation                        |    |
| Management strategies to improve corporate value    |    |
| Materiality                                         | 23 |
| Financial and capital strategies                    | 25 |
| Dialogue with shareholders and investors            | 29 |
| Human resource strategies                           | 31 |
| Domestic Market Strategies                          | 37 |
| Overseas Market Strategies                          | 41 |
| Product/Development Strategies                      | 45 |
| Product roundtable discussion                       | 51 |
| Management foundation to support sustainable growth |    |
| Financial and non-financial data                    |    |
| Company information / Stock information             |    |

Human resource strategies

Enhancing employee engagement on a  
foundation of human capital management to  
build an execution-driven organization

Shuichi Jinno  
Director & Senior Corporate Officer  
in charge of Personnel, IT Planning, and Secretariat



The ISEKI Group believes that human resources are the foundation for creating corporate value. We promote human capital management that aims to maximize knowledge, capabilities, and experience and improve corporate value over the medium to long term by developing workplace environments and frameworks that enable each and every employee to take on challenges and continue to grow.

Moreover, to complete Project Z, which is currently underway, we are encouraging employees to be more engaged and transform ourselves into an execution-driven organization. Amidst these conditions, the ISEKI Group has identified “enhancement of employee engagement” as a materiality and, based on its human resource development and internal environment improvement policies, is implementing a variety of initiatives.

Furthermore, concerning initiatives based on the Group policy for human resources development, in addition to actively recruiting mid-career professionals with superior abilities and experience in global and cutting-edge technologies, DX, and other similar fields, we have established a system that will help us secure a diverse workforce. We are also working to reform our corporate culture by further promoting diversity, including through the activities of the Subcommittee for the Promotion of the Advancement of Women.

Based on our policy for workplace environment creation, we are endeavoring to strengthen the company-employee bond by creating a comfortable, appealing workplace and upgrading tier-based training. Based on the Well-Being Survey for all employees of the Group, which began in the previous fiscal year, the Company newly established the Well-Being Promotion Team, which is responsible for identifying issues and planning and promoting improvement measures. Under a cross-divisional system, the entire organization is working to create a better workplace environment.

The ISEKI Group, which celebrated its 100th anniversary in 2025, has already started a new 100-year journey. To remain “Your essential partner” for the coming century, we will redouble our efforts to boost engagement groupwide and promote the cultivation of a vibrant organization where each and every employee can work with pride and purpose.

ISEKI Group policy for human resources development and policy for workplace environment creation

Policy for human resources development

ISEKI Group believes what contributes to the solution of various issues is people, who are essential for sustainable business growth and improvement of corporate value.

The Group will direct its efforts toward the securement of core human resources to execute its business strategies, such as cutting-edge technologies and the promotion of globalization. To be a solution provider for agriculture and landscape, we will also bring out the full potential of each employee and develop human resources who actively take on challenges and bring about change, by further enhancing education programs for DX and other purposes.

We will maximize each individual's abilities and develop human resources with a spirit of challenge to bring about change.

Policy for workplace environment creation

Based on the Company motto of providing “a stable workplace to the employees,” ISEKI Group aims to provide a safe and secure workplace to its employees as well as to create a rewarding workplace.

On the premise of respect for human rights and thorough compliance, we will work to enhance employee engagement and create a diverse, sound, and transparent workplace environment so that we can develop together with our employees.

Various measures for human resources development

The ISEKI Group promotes diversity as part of its management strategy. As our businesses become more globalized and technological innovations progress, we believe that it is important to create an environment in which diverse human resources can demonstrate their capabilities to the maximum extent. Regardless of gender, nationality, or recruitment category, the Company provides appropriate treatment according to ability and motivation, and actively creates opportunities for employees to play active roles, thereby supporting employees’ career development.

Regarding strengthening mid-career recruitment

In order to strengthen our organizational capabilities, we have diversified our recruitment system since 2023.

We will increase the matching rate between our company and applicants, while also strengthening our organizational capabilities.

ISEKI recruiting method

| Recruiting method                                | System overview                                                                                                                                                                                |
|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Career registration                              | Increase matching opportunities by enabling talented individuals with interest in our company to register directly with ISEKI.                                                                 |
| Return-to-job (reemployment of former employees) | People who have previously left our company and wish to rejoin may register their post-employment career history. This will allow us to contact them if a suitable position becomes available. |
| Referral recruitment (employee referral)         | We will promote personnel retention more than ever before by recruiting personnel based on referrals from our trusted employees.                                                               |

\* Target: All figures are for ISEKI & Co., Ltd. (non-consolidated) as of April 2026.

Utilization of group human resources

In order to flexibly respond to changes in the business environment and realize sustainable growth, the ISEKI Group positions human resources of the entire Group as important management resources. By promoting personnel exchanges that make use of the expertise and experience of each company and placing the right person in the right place, we aim to improve the competitiveness of the entire organization and create new value.

VOICE Career and learning broadened through transfer Tetsuaki Ueda, Purchasing Department, ISEKI & Co., Ltd.

I previously worked at ISEKI-Shigenobu MFG. Co., Ltd., but transferred to the Purchasing Department of ISEKI & Co., Ltd. in 2025, where I am now engaged in my work. The duties of the Purchasing Department are different from those of the Company in the past, and cover a wide range of areas, including support for production activities at each manufacturing plant, response to the law on ensuring proper transactions involving small and medium-sized enterprises, and accounting operations in general. I still have a lot to learn, and I struggle every day. There have been some difficult situations in the midst of optimizing production, which is one of the measures of Project Z, but we are tackling our business with a forward-looking approach to everything.



Recruitment of Global Human Resources

Regardless of nationality, they are active in various fields, including development, production, and sales, in accordance with their aptitudes and aspirations.

VOICE Global Human Resources Hyejueong Chon, Agricultural Technology Department, ISEKI & Co., Ltd.

It has been about 8 years since I came to Japan during my university days, and after joining the Company, I have been engaged in the design and development of vegetable transplanters. In the past, I sometimes felt a language barrier, but thanks to the people in my workplace who listened to my words patiently, I was able to proceed with my work without delays. What I feel is that it is important to communicate well and not be too conscious of differences.

Through participation in the Subcommittee for the Promotion of the Advancement of Women, we aim to create a workplace where everyone can discover their abilities and fully demonstrate them, regardless of gender, nationality, ideology, etc.



MENU GUIDE

What ISEKI Group aims for

Key Points of ISEKI Report 2026

ISEKI Group's value creation

Management strategies to improve  
corporate value

Materiality 23

Financial and capital strategies 25

Dialogue with shareholders and investors 29

Human resource strategies 31

Domestic Market Strategies 37

Overseas Market Strategies 41

Product/Development Strategies 45

Product roundtable discussion 51

Management foundation to support  
sustainable growth

Financial and non-financial data

Company information /  
Stock information

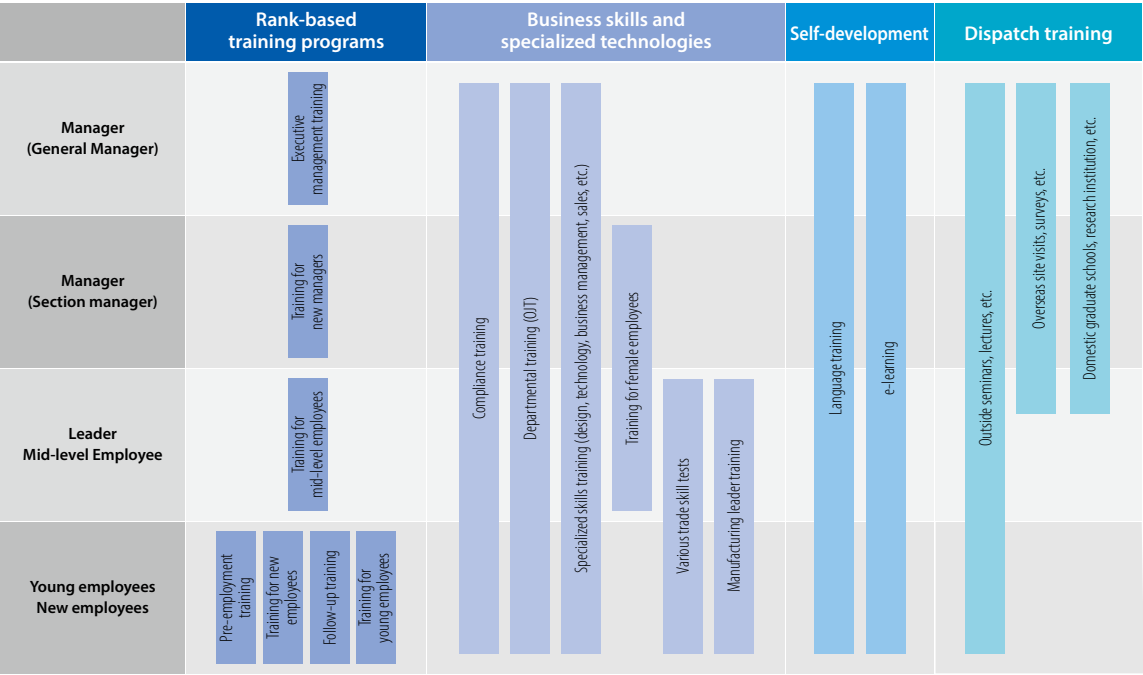
Human resource strategies

Regarding the education system

Aiming to achieve Project Z, which promotes fundamental structural reforms and growth strategies, ISEKI Group has clarified the roles and responsibilities of each level, and has systematically developed training and educational programs for each level and job type.

Through a variety of programs, including new employee training, position-specific training for young employees, mid-level employees, and managers, as well as language training, we are working to improve the knowledge, skills, and abilities of each employee.

In addition, we promote training focused on specialized fields. Through these initiatives, efforts are being made to strengthen the human resources base that supports the enhancement of the entire organization's ability to generate results and achieve sustainable growth.



Data related to human capital

Indicators related to human capital (2025)\*1

| Ratio of female employees | Female-to-male pay ratio (permanent employees) | Three-year retention rate of new graduates | Utilization rate of paid leave | Employment rate of people with disabilities |
|---------------------------|------------------------------------------------|--------------------------------------------|--------------------------------|---------------------------------------------|
| 15.2%                     | 72.8%*2                                        | 76.2%                                      | 74.0%                          | 1.88%                                       |

\*1 ISEKI & Co., Ltd. (non-consolidated)  
\*2 In the personnel and wage systems, there is no difference based on gender.  
Differences in the ratio of personnel by job qualification, a high rate of female employees selecting region-specific positions, and differences in the work system result in a wage difference between male and female employees.

Initiatives to realize work-life balance

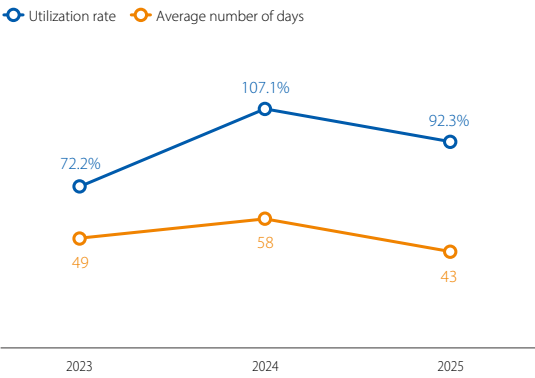
ISEKI Group is promoting various measures and improving the environment for employees to allow them to adopt diverse workstyles that suit their stages of life.

In particular, when an employee notifies us of childbirth, we let the employee and his or her supervisor know about the childcare leave system and encourage the employee to take the leave. This is intended to create an environment where both male and female employees readily take childcare leave and return to their work.

Ratio of male employees who took childcare leave

|                        | 2023  | 2024   | 2025  |
|------------------------|-------|--------|-------|
| Utilization rate       | 72.2% | 107.1% | 92.3% |
| Average number of days | 49    | 58     | 43    |

\* ISEKI & Co., Ltd. employees (including dispatched and seconded employees)



Initiatives to promote the advancement of women

Subcommittee for the Promotion of the Advancement of Women

At the Company, efforts are being made to promote the active participation of women, centered on the “Subcommittee for the Promotion of the Advancement of Women,” in which female employees themselves take the initiative in identifying issues and considering solutions for the advancement of women.

In addition to supporting the career development of female employees, the Company is also promoting measures from the perspectives of both raising awareness and developing systems, with the aim of creating a workplace environment in which all employees can continue to work with peace of mind.

Ratio of female managers

| 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2030 (target) |
|------|------|------|------|------|------|---------------|
| 3.7% | 4.2% | 4.1% | 4.6% | 4.0% | 5.0% | 7.0% or more  |

\* ISEKI & Co., Ltd. (non-consolidated)

**VOICE** Member of the Subcommittee for the Promotion of the Advancement of Women **Risa Okabe**, Secretariat, ISEKI & Co., Ltd.

Through the activities of the subcommittee, I was able to broaden my perspective on working styles and careers. A variety of issues have come to light, including concerns about the unconscious bias and harassment of managers, doubts about women's own career aspirations, and the perception that even with a system in place, it is difficult to make use of it. From these and other issues, I am keenly aware of the significance of initiatives to promote changes in awareness and behavior, in addition to improving the system.

Currently, we are creating an environment in which employees can use the system with peace of mind, including training managers and planning lectures on career development, as well as making the childcare and nursing care leave system visible and compiling case studies.

While the promotion of active participation by women is the starting point, we will continue to steadily build on what we can do to create a workplace where all employees, including female employees, can take an active role over the long term while envisioning their own careers.



Occupational safety and health management

Setting up “a healthy and safe workplace” as the code of conduct, ISEKI Group strives to manage occupational safety and health in a groupwide effort. ISEKI Group carries out safety and health activities reflecting the actual situations of each company and office. At manufacturing companies, it strives to raise safety awareness through measures such as conducting safety patrols and providing simulated experiences of industrial accidents at training facilities. Through these efforts, we are striving to reduce the disaster risk toward “zero accidents at work.”

Additionally, work-related accidents that have occurred in the ISEKI Group are confirmed monthly, and communicated across to each group company to prevent recurrence.

We will continue to set up “a healthy and safe workplace” as the code of conduct and will continue striving to manage occupational safety and health in a groupwide effort.

Policies Concerning Safety

**“Safety takes precedence over everything”**  
— Promoting initiatives to achieve zero industrial accidents

Implementation of risk assessment based on risk-prediction activities

Identifying risks and hazards in operations, taking risk reduction measures, and thereby preventing accidents from occurring

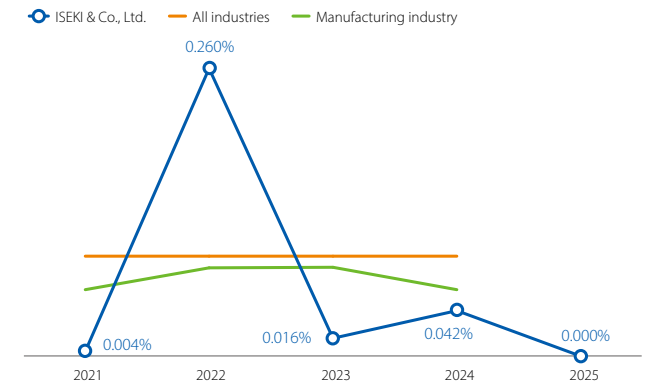
Provision of safety education

Thoroughly entrenching awareness of safety once again through education provided at the Safety Promotion Center so as to build a framework that prevents any industrial accidents

Statistics of industrial accidents: severity rate

| 2021   | 2022   | 2023   | 2024   | 2025   |
|--------|--------|--------|--------|--------|
| 0.004% | 0.260% | 0.016% | 0.042% | 0.000% |

\* Severity rate: Number of work days lost per 1,000 working hours  
\* Scope: ISEKI & Co., Ltd., ISEKI M&D Co., Ltd., ISEKI-Niigata MFG. Co., Ltd.



MENU GUIDE

|                                                     |    |
|-----------------------------------------------------|----|
| What ISEKI Group aims for                           |    |
| Key Points of ISEKI Report 2026                     |    |
| ISEKI Group's value creation                        |    |
| Management strategies to improve corporate value    |    |
| Materiality                                         | 23 |
| Financial and capital strategies                    | 25 |
| Dialogue with shareholders and investors            | 29 |
| Human resource strategies                           | 31 |
| Domestic Market Strategies                          | 37 |
| Overseas Market Strategies                          | 41 |
| Product/Development Strategies                      | 45 |
| Product roundtable discussion                       | 51 |
| Management foundation to support sustainable growth |    |
| Financial and non-financial data                    |    |
| Company information / Stock information             |    |

Human resource strategies

Promotion of health & productivity management

ISEKI Group issued a Health & Productivity Management Declaration in 2021, and since 2023 has been taking part as a member company in the Health & Productivity Management Alliance, where it strives to use initiatives of other companies as benchmarks and be aware of societal health-related trends. Going forward, we will continue to focus on our health basic policy centered on the three pillars of physical health, mental health, and living health, and strive to enhance employee well-being.

ISEKI Group Health & Productivity Management Declaration

Viewing healthy and stable living of individual employees as the driving force behind the development and business activities of a corporation, ISEKI Group has engaged in maintaining its employees' health since its foundation. Looking beyond the 100th anniversary of its founding in 2025, ISEKI Group has declared that it will further promote health & productivity management in mutual collaboration with ISEKI Health Insurance Association and ISEKI Labor Union to ensure that all people playing active roles at the Group can live healthy and fulfilling lives.

October 25, 2021

ISEKI Group health basic policy

We will work to maintain and promote the health of individual employees and enable the enhancement of employee engagement and sustainable growth of the Group by implementing measures focusing on three kinds of health as follows:

- 1 Physical health
- 2 Mental health
- 3 Living health

Enhancement of employee engagement

ISEKI Group is working on the enhancement of employee engagement to retain talented personnel and create employees who actively engage in corporate growth.

We are working primarily on the provision of a secure and safe workplace, support for career development, and development and utilization of diverse human resources. At the same time, we conduct regular engagement surveys and monthly pulse surveys to assess the status of our employees' engagement.

Status of engagement survey implementation

|                                   | August 2023 (result)                   | September 2024 (result)                                   | December 2025 (result)                         |
|-----------------------------------|----------------------------------------|-----------------------------------------------------------|------------------------------------------------|
| Overall satisfaction rate         | 51.6%                                  | 53.1%                                                     | 52.3%                                          |
| Items with high satisfaction rate | Workstyle, interpersonal relationships | Interpersonal relationships, corporate culture, workstyle | Management policy, interpersonal relationships |
| Issues                            | Wage system, personnel system          | Wage system, personnel system                             | Wage system, personnel system                  |

Initiatives based on the survey results

According to the results of the engagement survey, in addition to "interpersonal relationships" and "corporate culture," "management policy" was recently cited as an item with high satisfaction, while the wage system and personnel system were recognized as ongoing issues.

Based on these results, the Company implemented a revision of its personnel system centered on the concept of "evaluating challenges and results," with the aim of improving engagement. In addition, in order to provide opportunities for employees to think about their own careers and workstyles, we have introduced a career design sheet and are working to support career development through dialogue with superiors.

In the future, in conjunction with the establishment of the revised personnel system, and in conjunction with well-being measures, the Company will increase the motivation and satisfaction of each employee, leading to further improvement in engagement.

About Well-being

The ISEKI Group places importance on enabling each and every employee to continue working in a stable condition, both physically and mentally, and is working to improve well-being.

A well-being survey is conducted for the entire Group to understand the actual conditions of employees' workstyles and workplace environments, and the results are shared within the Company. In addition, the Company strives to foster an understanding of well-being through training for officers and executives and issuance of the Well-Being Declaration.

The Company is also developing a system for considering future measures, centered on Well-being Promotion Activity Members elected across divisions. Through these initiatives, we are working to create a workplace environment in which employees can continue to work with peace of mind and demonstrate their capabilities in a forward-looking manner.

VOICE

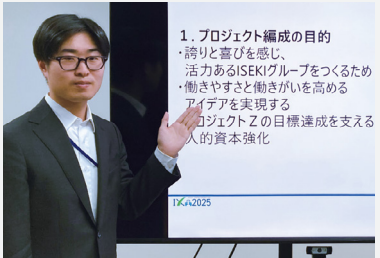
**Well-being Promotion Activity member** Ryo Umemura, Public & Investor Relations Section, ISEKI & Co., Ltd.

I joined ISEKI & Co., Ltd. as a new graduate in April 2025, and was assigned to the Public & Investor Relations Section.

The reason I ran to become a Well-being Promotion Activity member was because I thought that I would be able share my honest feelings on my daily duties and workplace environment as a first-year new graduate and express my opinions from the unique perspective of a young person.

In addition, as someone who will work in the Public & Investor Relations Section going forward, I thought that deepening my understanding of how people and organizations should be and how to make it easier to work would lead to my own growth.

I would like to contribute as much as possible to create an environment in which each and every employee can work with a positive attitude through our "well-being" initiatives, and I would also like to communicate these initiatives both inside and outside the Company.



1. プロジェクト編成の目的  
・誇りと喜びを感じ、  
活力あるISEKIグループをつくるため  
・働きやすさと働きがい高める  
アイデアを実現する  
プロジェクトZの目標達成を支える  
人的資本強化

16/4/2025

Introduced a personnel system that "evaluates challenges and results"

On the occasion of the 100th anniversary of the Company's foundation, the Company revised its personnel system to build a foundation for the new 100 years, based on the slogan "Your essential partner." In this revision, we aim to create an environment in which each and every employee can play a leading role. In addition to updating the existing personnel system, we are working to strengthen the compliance system and create an environment in which employees can work economically with greater peace of mind.

In this system revision, emphasis was placed on linking the policies set out in Project Z with the goals and daily actions of each employee. We aim to improve the execution capabilities of the entire organization by reviewing each system of evaluation, grading, and compensation, and transforming it into a system in which the roles played and results achieved are better reflected in compensation.

Through these revisions to the system, we aim to create a situation in which employees can understand the roles and achievements expected of them and engage in their duties while reflecting on their own actions. In the future, the Company will promote the establishment and appropriate operation of the system based on the concept of "evaluating challenges and results," and will link the accumulation of these actions to the growth of the Company. At the same time, the Company will further deepen ties with employees and strengthen the management foundation that supports sustainable growth.

Respect for human rights, Prohibition of discriminatory treatment

Basic Policy (Fundamental concept)

It is stipulated in ISEKI Group Code of Ethical Behavior to "respect basic human rights and not engage in any act of discrimination or harassment on the grounds of nationality, race, creed, gender and disabilities." The Code of Ethical Behavior is distributed to all employees. The Group instructs them to, among other things, "always respect human rights of others by periodically providing employees with education" and "pay extra attention to their speech and behavior so as not to commit acts that ignore others' human rights, such as harassment."

MENU GUIDE

|                                                     |    |
|-----------------------------------------------------|----|
| What ISEKI Group aims for                           |    |
| Key Points of ISEKI Report 2026                     |    |
| ISEKI Group's value creation                        |    |
| Management strategies to improve corporate value    |    |
| Materiality                                         | 23 |
| Financial and capital strategies                    | 25 |
| Dialogue with shareholders and investors            | 29 |
| Human resource strategies                           | 31 |
| Domestic Market Strategies                          | 37 |
| Overseas Market Strategies                          | 41 |
| Product/Development Strategies                      | 45 |
| Product roundtable discussion                       | 51 |
| Management foundation to support sustainable growth |    |
| Financial and non-financial data                    |    |
| Company information / Stock information             |    |

## Domestic Market Strategies

Open up a new future for Japanese agriculture by facing issues on the ground and promoting sustainable growth and building a strong business foundation

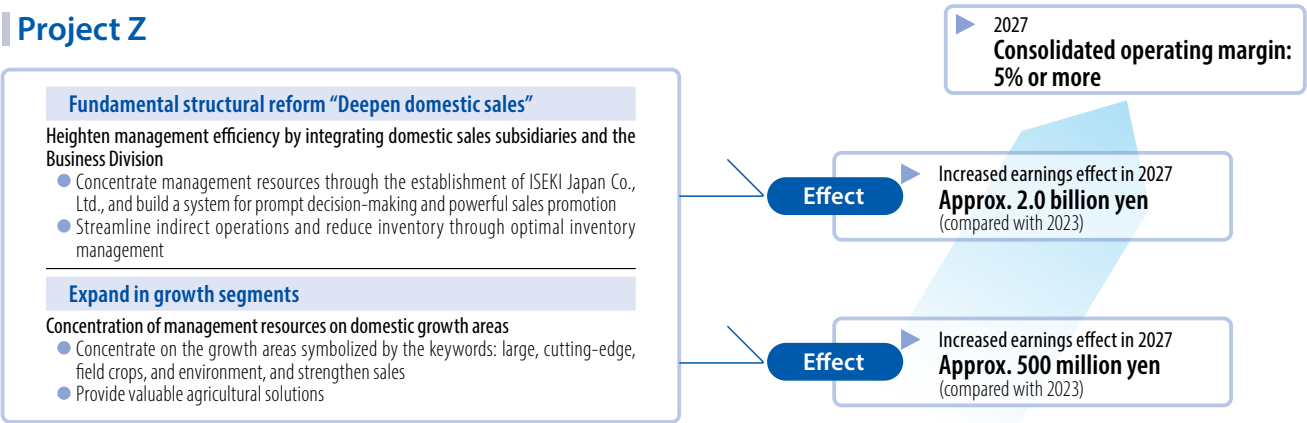
**Noriaki Ishimoto**  
Corporate Officer, General  
Division Manager, Business Division



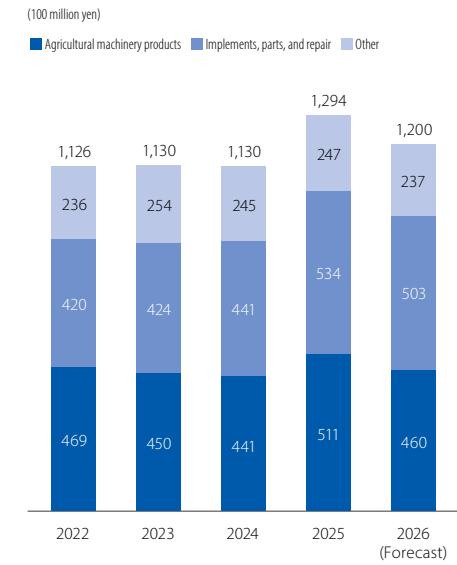
The year 2025 was a major turning point in the domestic sales structure. We integrated the management of seven domestic sales companies and the Sales Headquarters, established ISEKI Japan Co., Ltd., and embarked on a major reform of the sales structure.

The environment surrounding the domestic agriculture industry is changing rapidly, and the Company views these changes as new business opportunities. We will further accelerate “fundamental structural reforms” and “growth strategies,” which are the main pillars of Project Z, toward achieving an operating margin of 5% for the ISEKI Group in 2027.

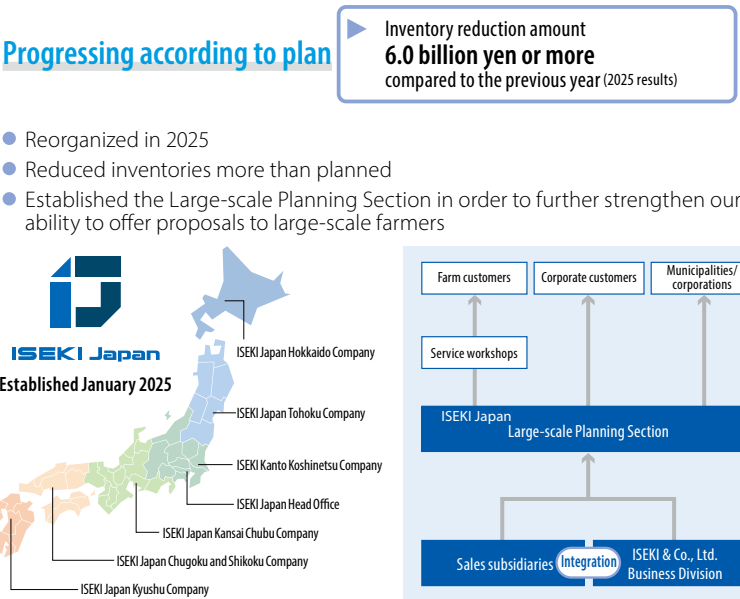
### Project Z



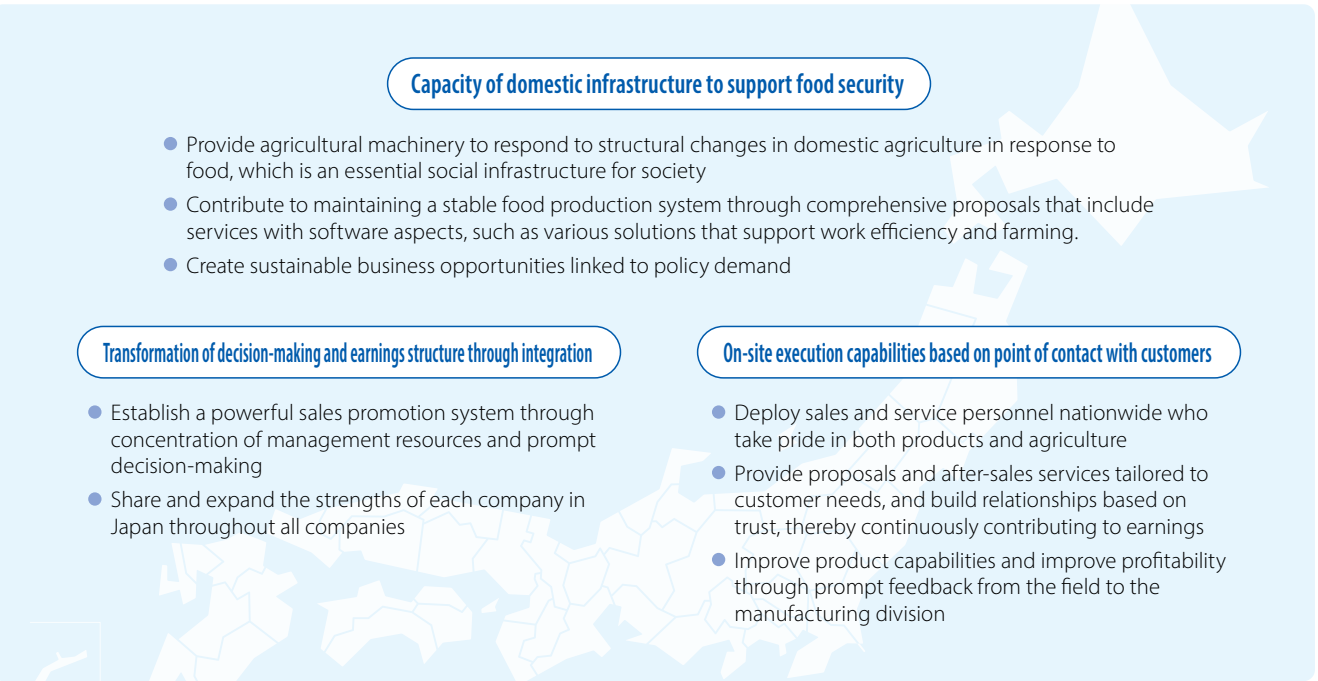
### Domestic net sales trends



### Current status of Project Z



### ISEKI Group’s strengths

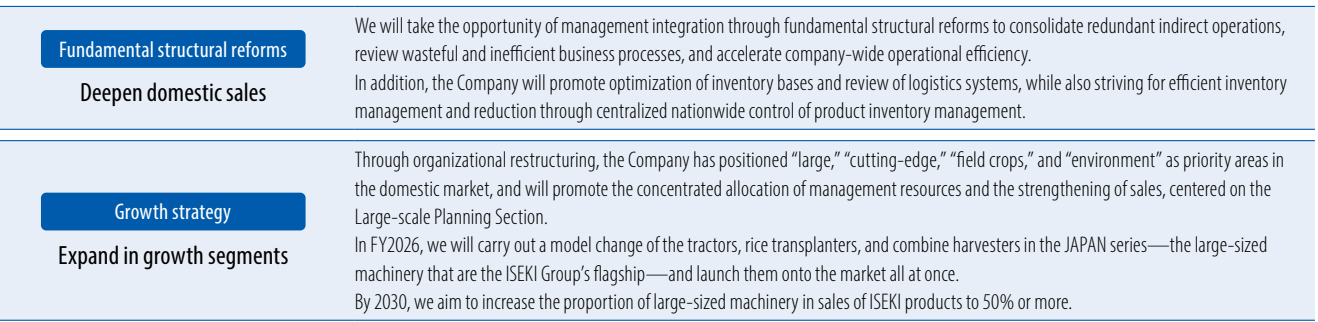


### Market environment outlook



### Domestic Market Strategies Toward 2030

- Fundamental structural reform “Deepen domestic sales”
  - ¥2.0 billion increase in 2027 (compared to 2023) \* Project Z Plan: Upward revision from the initial ¥1.5 billion
- Growth strategy: Expand sales in growth segments
  - ¥500 million increase in 2027 (compared to 2023)



## MENU GUIDE

|                                                  |           |
|--------------------------------------------------|-----------|
| What ISEKI Group aims for                        |           |
| Key Points of ISEKI Report 2026                  |           |
| ISEKI Group's value creation                     |           |
| Management strategies to improve corporate value |           |
| Materiality                                      | 23        |
| Financial and capital strategies                 | 25        |
| Dialogue with shareholders and investors         | 29        |
| Human resource strategies                        | 31        |
| <b>Domestic Market Strategies</b>                | <b>37</b> |
| Overseas Market Strategies                       | 41        |
| Product/Development Strategies                   | 45        |
| Product roundtable discussion                    | 51        |

### Management foundation to support sustainable growth

### Financial and non-financial data

### Company information / Stock information

Domestic Market Strategies

**Expand in growth segments**  
Concentrate on the growth areas symbolized by the keywords: large, cutting-edge, field crops, and environment, and strengthen sales

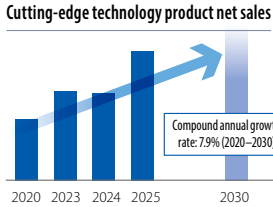
Increase sales of large-sized machinery

The arable land area of management per business entity is increasing. Agricultural business entities with an managed farmland area of 20 ha or more account for about 50% of the total area, and the scale of management per business entity is expanding. In addition, the need for investment in labor-saving measures is increasing due to the decrease in the number of key farmers and the aging of the population. Furthermore, against the backdrop of record-high temperatures and other factors, “ensuring that work is done at the right time” increasingly affects yield and quality. In light of these changes in the business environment, the Company has positioned “large-sized machinery” as one of its strategies for the domestic market, and aims to increase the proportion of large-sized machinery in the sales of the Company's products to 50% or more by 2030. In 2025, the achievement rate exceeded 40%, and steady progress is being made toward achieving the target ahead of schedule. In FY2026, we will carry out a model change of the large flagship brand “JAPAN” and accelerate the market launch of large-sized agricultural machinery. The Company will strive to further strengthen its market competitiveness by developing products that accurately capture frontline needs.



Expansion of cutting-edge technology products

In recent years, Japanese agriculture has faced issues such as a shortage of farmers, an aging population, and responses to climate change. Against this backdrop, demand for leading-edge products that contribute to labor saving and higher precision is increasing as precision agriculture utilizing digital technologies and satellite data advances. The Company is promoting the expansion of products equipped with advanced technologies, such as the “Operesta” direct assist system, and is expanding its business with the aim of achieving an average annual sales growth rate of 7.9% for products equipped with advanced technologies from 2020 to 2030. Amid rising market awareness and expanding needs for tractors and rice transplanters equipped with a direct assist function, we will roll out the “Frontier Master FM Series,” a combine equipped with “Operesta.” This will reduce the operational load of harvesting operations and improve operational accuracy, contributing to labor-saving and efficiency improvements at the site. Furthermore, we added drones manufactured by NTT e-Drone Technology, Inc., which can variably fertilize and spray agricultural chemicals from the air, to our product lineup. The Company's drones are domestically produced, with lightweight, compact designs suited to the Japanese market, and specifications that comply with laws and regulations. They are designed to be introduced and operated with confidence. As a result, the Company will strengthen its ability to propose solutions in the smart agriculture field by supporting operations from the air in addition to operations on the ground, and contribute to the labor-saving and sophistication of Japanese agriculture.



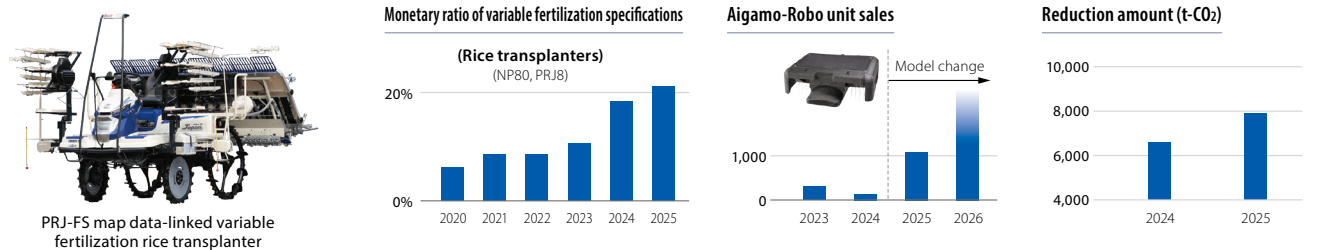
Capture the field crop market

Against a backdrop of a decrease in the agricultural population, the concentration of agricultural land and the expansion of management scale are progressing in Japan, and in the field of upland farming, the importance of work efficiency improvement and cost reduction is increasing. In addition, amid changes in the production environment due to climate change, the Company is stepping up the activities of the Large-scale Planning Section and strengthening proposals to large-scale management entities, corporations, and newly entering companies. In recent years, an increasing number of corporations have engaged in large-scale field cultivation centered on onions, and cultivation is becoming more active in Honshu in addition to Hokkaido. In response to these changes, we will roll out the new Onion Harvester for Honshu, develop BtoB channels, and strengthen product proposals in line with changes on the ground. In addition, the Company also handles a wide range of work machines, which are highly evaluated in overseas markets where upland farming is popular. In 2025, the Company began handling the TARIMÖZ (Turkey) Disc Harrow. In addition to high basic performance, its compact design, which is convenient for transport and transportation, and ease of use have been highly evaluated by manufacturers, making it a machine suitable for fields in Japan.

Promotion of environmentally sound agriculture

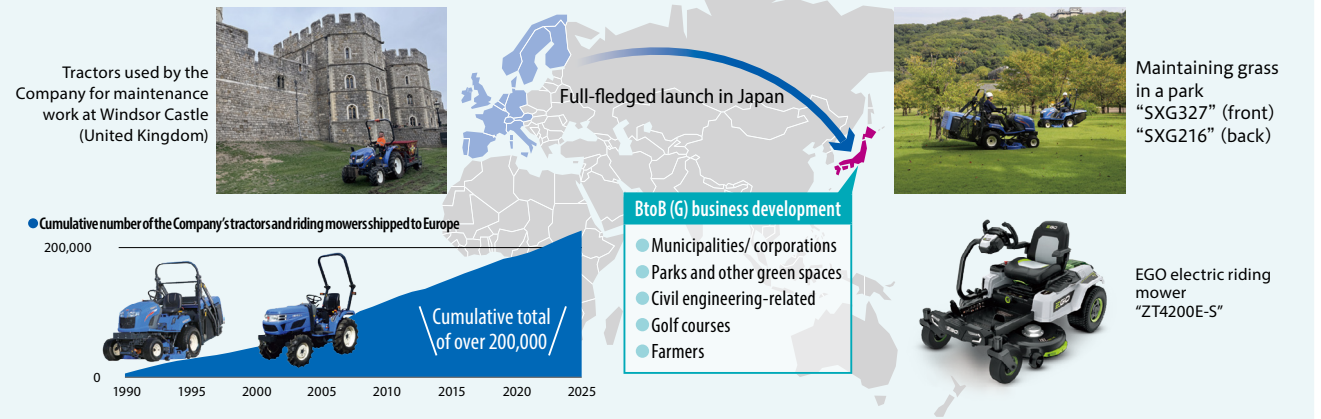
The “Strategy for Sustainable Food Systems, MIDORI” formulated by the Ministry of Agriculture, Forestry and Fisheries in 2021 sets the targets of expanding areas of organic agricultural to 25% of total cultivated land and reducing greenhouse gas emissions from agriculture, forestry, and fisheries to net zero. The Company promotes the dissemination of technology to reduce the use of fertilizers and agricultural chemicals in order to reduce environmental impacts and realize sustainable agriculture. In particular, sales of variable fertilizer application machines linked to map data, which are linked to map data created from satellite images and automatically adjust the amount of fertilizer applied while rice is being planted, are steadily increasing. In addition, we are working to support the development of organic rice production areas with the “Aigamo-Robo,” an automatic weeding robot, at its core. Its introduction is progressing as a solution that contributes to labor saving in weed control. Sales have increased since model changes were made in 2025, and we will further strengthen our contribution to expanding organic rice production and forming production areas. Furthermore, as part of our initiatives to reduce greenhouse gas emissions, we have collaborated with Faeger Co., Ltd. since 2023 to support farm workers in their efforts to take part in the J-Credit Scheme. The amount of greenhouse gas reductions resulting from these initiatives has been increasing year by year, supporting decarbonization in the agricultural sector and contributing to the creation of new added value for producers.

\* About J-Credit Scheme  
The J-Credit Scheme is a system in which the government certifies achievements in greenhouse gas reduction or absorption as “credits.” Certified “credits” can be traded between companies and municipalities.



TOPIC Expand sales channels in the domestic Non-Agri market

The Company has developed products for landscape improvement in Europe and built a solid position as the ISEKI brand. In particular, tractors and riding mowers have garnered high levels of trust from professional users, and cumulative shipments of tractors and riding mowers to Europe have exceeded 200,000 units. Based on these achievements, the Company is promoting full-scale development in the domestic Non-Agri market, and is working to expand sales channels mainly in the BtoB and BtoG domains, such as green space management for local governments and parks, construction and civil engineering-related fields, golf courses, and farmers. In April 2026, we added to our lineup the SXG216, a passenger car mower that is more compact and simpler than the SXG327 that was released in Japan ahead of schedule, and we will work to expand sales in the landscape improvement market. At the same time, in June 2025, Group company ISEKI Agri entered into an agency agreement with CHERVON Co., Ltd. for EGO battery-powered outdoor power equipment (OPE) brand products, and began sales and services in Japan. In the future, we will expand our product lineup by leveraging the product strengths we have developed in Europe, and aim to achieve domestic sales of weed cutting equipment of 10.0 billion yen in 2030.



MENU GUIDE

|                                                     |    |
|-----------------------------------------------------|----|
| What ISEKI Group aims for                           |    |
| Key Points of ISEKI Report 2026                     |    |
| ISEKI Group's value creation                        |    |
| Management strategies to improve corporate value    |    |
| Materiality                                         | 23 |
| Financial and capital strategies                    | 25 |
| Dialogue with shareholders and investors            | 29 |
| Human resource strategies                           | 31 |
| Domestic Market Strategies                          | 37 |
| Overseas Market Strategies                          | 41 |
| Product/Development Strategies                      | 45 |
| Product roundtable discussion                       | 51 |
| Management foundation to support sustainable growth |    |
| Financial and non-financial data                    |    |
| Company information / Stock information             |    |

Overseas Market Strategies

Capturing changes in the business environment in each region, we will steadily implement the PDCA cycle of the action plan toward achieving overseas sales of 80.0 billion yen in 2030.

Yoshiaki Kimata  
Corporate Officer, General Division Manager,  
Overseas Business Division

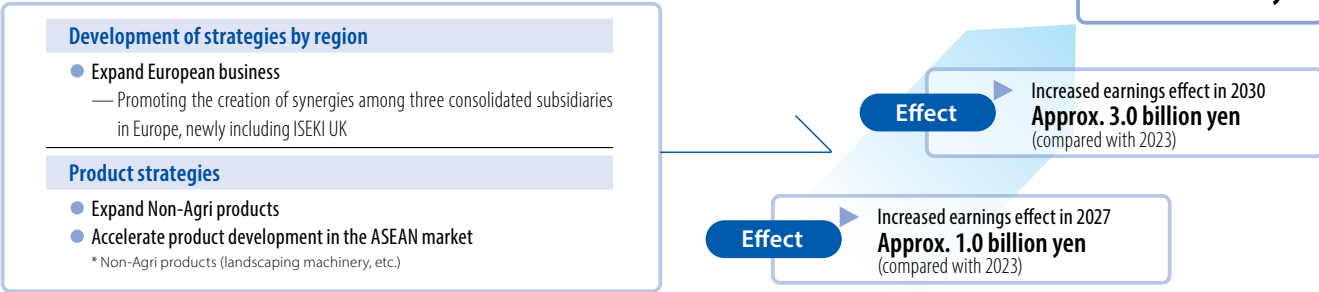


In 2025, the business environment remained unstable due to factors such as the U.S. tariff issue. However, it was a year in which we solidified our business foundation toward achieving Project Z, including welcoming ISEKI UK & IRELAND LIMITED (renamed from PREMIUM TURF-CARE LIMITED in December) as a consolidated subsidiary in January.

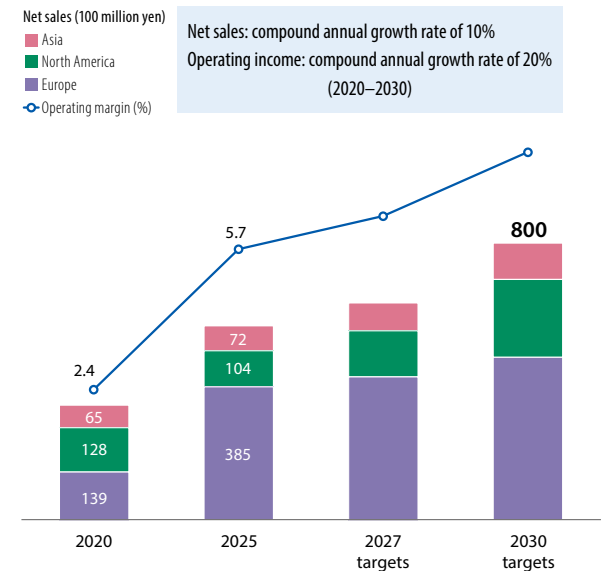
The business environment is expected to remain unpredictable due to factors such as increasing tensions in global affairs. However, with the aim of achieving overseas sales of 80.0 billion yen in 2030, the Company will implement growth strategies through “regional strategies” and “product strategies,” with Europe, North America, and Asia as the three core regions.

Project Z

Growth strategy



Consolidated net sales trends (by region)



Current status of Project Z

Progressing according to plan

Profit increase effect of consolidating ISEKI UK  
**500 million yen**  
(fiscal year ended December 31, 2025)

- In Europe, three companies—ISEKI France S.A.S., ISEKI-Maschinen GmbH, and ISEKI UK—are collaborating to promote integrated operation of sales and inventory management.
- In the ASEAN region, we have expanded the number of countries with which we do business, and are building a competitive lineup by combining products from PT ISEKI Indonesia, the Company's production base, and products produced by TAFE (an Indian agricultural machinery manufacturer with a business partnership).



TG tractors used for cleaning work in parks

ISEKI Group's strengths overseas



Market environment outlook

Europe

- Stable demand for private use
- Although fiscal reforms are continuing in some regions, public investments themselves have been steady
- We expect demand to recover in landscape-related fields as the use of environmentally friendly products increases.

North America

- The compact tractor market is in an adjustment phase after peaking around 2021 (due to stay-at-home demand stemming from the pandemic)
- Expected to stop falling in 2026 and level off in the medium - to long-term
- Uncertainty remains regarding the trends and impact of tariff policy

Asia

- East Asia:** Demand for rice cultivation machinery is decreasing due to factors such as a decrease in the agricultural population and the aging of society. Sales opportunities for upland farming are expanding as crop rotation is encouraged, and needs for large, smart agricultural machinery are solid.
- ASEAN countries:** Agricultural mechanization policies are being promoted in each country. In some regions, farmers' purchasing power continue to decline.

Overseas Market Strategies Toward 2030

Regional strategy:

The Company will expand its business by implementing strategies tailored to regional characteristics through close collaboration with sales agents and AGCO worldwide. We will further strengthen the structure of three consolidated subsidiaries in Europe and optimize the supply chain through the utilization of overseas production bases, which will lead to improved profitability.

Product strategies

The product lineup varies from region to region, depending on the operating environment and applications of the machines. We will expand profitability by accurately identifying regional needs through collaboration with local agencies and launching highly value-added competitive products tailored to market conditions.

By implementing the growth strategy

2030 Overseas sales **80.0 billion yen**

2030 Increased earnings effect **3.0 billion yen**  
(compared with FY2023)

MENU GUIDE

|                                                     |    |
|-----------------------------------------------------|----|
| What ISEKI Group aims for                           |    |
| Key Points of ISEKI Report 2026                     |    |
| ISEKI Group's value creation                        |    |
| Management strategies to improve corporate value    |    |
| Materiality                                         | 23 |
| Financial and capital strategies                    | 25 |
| Dialogue with shareholders and investors            | 29 |
| Human resource strategies                           | 31 |
| Domestic Market Strategies                          | 37 |
| Overseas Market Strategies                          | 41 |
| Product/Development Strategies                      | 45 |
| Product roundtable discussion                       | 51 |
| Management foundation to support sustainable growth |    |
| Financial and non-financial data                    |    |
| Company information / Stock information             |    |

Overseas Market Strategies

Europe Create synergies through collaboration with European consolidated subsidiaries

In the European business, one of the pillars of the growth strategy under Project Z, the Company made UK distributor ISEKI UK a wholly owned consolidated subsidiary in January 2025. As a result, a three-company European structure bearing the “ISEKI” name was established, consisting of ISEKI France S.A.S., ISEKI-Maschinen GmbH, and ISEKI UK.

In Europe, maintenance and management such as parks, green spaces, and sports facilities is positioned as an essential business that is indispensable for society. In the landscape improvement market, the Group will aim to expand sales and improve earnings by strengthening cooperation among companies and exerting synergies.

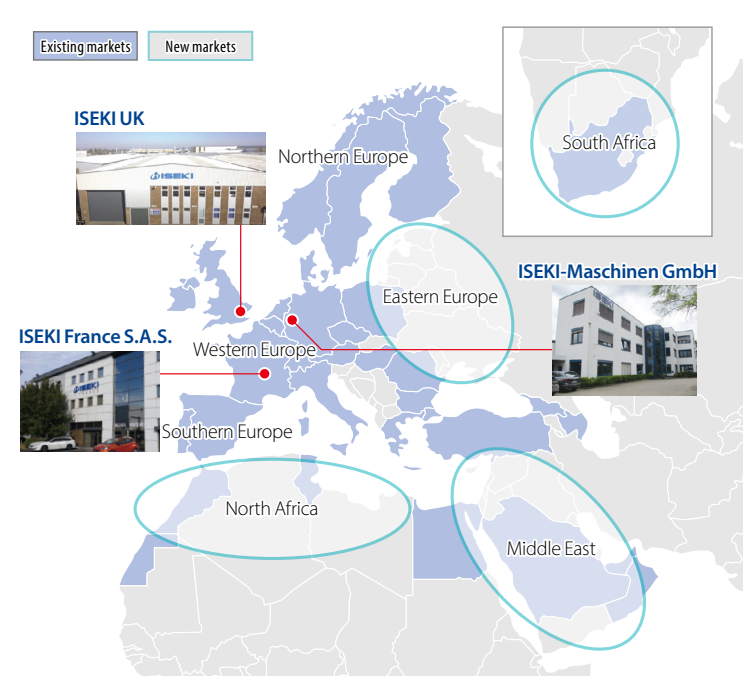
Regional strategy:

Expand sales by deepening existing markets and cultivating new markets

In existing sales areas, the Company will strive to enrich its product lineup in line with customer needs in the landscape improvement market, while strengthening its sales network. In addition, in neighboring countries such as the Middle East and Africa, the Group will promote the development of new customers centered on green space management businesses such as golf courses and sports fields.

Improve profitability through supply chain optimization

In order to prevent an increase in costs due to excess inventory and the loss of sales opportunities due to insufficient inventory, the three Group companies in Europe will promote the optimization of inventory by flexibly allocating inventory according to demand fluctuations. Furthermore, by building optimal transportation routes, we will realize greater efficiency in the entire supply chain and promote improvements in profitability.



Product strategies

Expansion of high value-added Non-Agri products (for landscaping)

The Company is developing products that meet the multimodal needs of professional users and individuals, mainly for landscape improvement applications. Going forward, we will allocate resources more intensively to the development of environmental consideration products, for which demand is expected to increase, and high value-added products equipped with cutting-edge technologies such as automated driving. Through cooperation with our consolidated subsidiaries, we aim to increase the competitiveness of our in-house products and expand the range of merchandise we purchase, thereby expanding the scale of our business.



TH5420 tractors used for maintenance of sports fields in Germany

TOPIC Comment from User:

Chief of Premises Management, Blundell's School, Devon, United Kingdom

It is very important for us to keep the scenery around the facilities beautiful at all times, even under various working conditions. The SXG327 riding mower is resistant to changes in weather and lawn conditions, and provides stable performance. In addition, ISEKI's prompt service response and the fact that we have built a long-term relationship of trust with them is also a major source of reassurance. Thanks to these efforts, we are able to work on landscape development without worrying about troubles.



SXG327: Working on landscape improvement at the school premises

North America: Pioneering the compact car market through collaboration with AGCO

Regional strategy:

Increase market share by utilizing AGCO's sales network

The Company has promoted the development of the Company's products by leveraging the collaboration with AGCO Inc. for more than 30 years and the sales network of AGCO Inc. throughout North America. In the North American market, where a wide variety of needs exist in each region, we conduct on-site evaluations of our products in cooperation with AGCO and local dealerships, and promote product development that captures the changing market environment and customer needs. Going forward, in addition to measures to expand market share through collaboration with AGCO, Inc., the Company will aim to further expand sales by increasing its presence in each region of North America through the development of sales strategies that focus on regional characteristics.

Product strategies

TOPIC Comment from User: Development of high value-added products reflecting customer feedback

The new Premium Tractor MF2M.65, which was launched in Canada at the end of 2025, has received high praise as a tractor that responds to the voices of operators who remove snow on site in a harsh winter environment. An operator who undertakes community snow removal work in Quebec, Canada, commented that the new MF2M.65 is suitable for snow removal work in the early morning when speed and efficiency are required. The tractor's vehicle speed, power, lever layout with excellent operability, etc., enables the work to be done quickly and comfortably.



New MF2M.65 used for snow removal in Canada

Asia Contribute to the stable supply of food by providing mechanized solutions tailored to the market

Regional strategy:

East Asia: Increase customer satisfaction and cultivate the professional user market

Large-scale farmers and contract workers are our main customers in the East Asian market. Aiming to increase its presence in the professional user market, the Company strengthened its prompt service system through collaboration with local distributors. We will promote medium- to long-term sales expansion by further strengthening our sales policies, including support for local exhibitions.

ASEAN: Develop growth market based in Thailand

The Company has developed IST (Thailand) as a sales and service base in the ASEAN region, and has contributed to Thai agricultural mechanization by generating synergies with the timely supply of products from PT ISEKI INDONESIA and TAFE (Indian). We will capture growing demand for mechanization and accelerate business expansion, including sales to neighboring countries.



HJ6135 combine, which is popular in the South Korean market

Product strategies

Concentrate on areas symbolized by the keywords: “large, cutting-edge, field crops, and environment”

In East Asia, the Group sells mainly large, high-value-added machines that are equivalent to flagship models in Japan. Going forward, in order to develop better products, we will thoroughly listen to customers' voices and give back to development sites, and promote the launch of “large,” “cutting-edge,” “field crop,” and “environmental” products that will win out over competitors, and expand earnings.

ASEAN: Expand strategic products through collaboration with TAFE (India) Ltd.

The Company has been supplying products from PT ISEKI (Indonesia) and TAFE (India) for markets that require price competitiveness and durability. By accelerating collaboration with TAFE, we will further raise the level of our production and sales systems and build a competitive product lineup at growth market.



NTZ227, a compact tractor produced by TAFE Co., Ltd. for the ASEAN field crop market

TOPIC Began sales of NT tractors in the Philippines

As part of the growth strategy under Project Z, we are promoting business expansion in the countries surrounding ASEAN, based at IST (Thailand) Co., Ltd. In 2025, the Company began business development in the Philippines through a local agent, and began sales of “NT Series” tractors, which are the Company's mainstay products for the ASEAN region. The Philippines is one of the largest rice-producing countries in the ASEAN region, and the agricultural machinery market is expected to grow over the medium- to long-term. The Group will promote sales of products that make use of the Company's mechanized rice cultivation technology, contribute to local agricultural mechanization, and aim to expand earnings in the ASEAN region.



NT tractors at an exhibition in the Philippines

MENU GUIDE

What ISEKI Group aims for

Key Points of ISEKI Report 2026

ISEKI Group's value creation

Management strategies to improve corporate value

|                                          |    |
|------------------------------------------|----|
| Materiality                              | 23 |
| Financial and capital strategies         | 25 |
| Dialogue with shareholders and investors | 29 |
| Human resource strategies                | 31 |
| Domestic Market Strategies               | 37 |
| Overseas Market Strategies               | 41 |
| Product/Development Strategies           | 45 |
| Product roundtable discussion            | 51 |

Management foundation to support sustainable growth

Financial and non-financial data

Company information / Stock information

Product/Development Strategies

Optimize production and development,  
and achieve Project Z with all employees

Tsutomu Watanabe

Senior Corporate Officer, General Division Manager,  
Development & Production Division

Among the fundamental structural reforms under Project Z, in terms of “optimize production,” in 2025 we gradually transferred combine harvester production from the Kumamoto area of ISEKI M&D Co., Ltd. to the Matsuyama area, and consolidated the functions of the Kumamoto area into the Matsuyama area at the end of December 2025. Looking ahead to 2026, while strengthening manufacturing governance and stabilizing the system after the transfer of production, we will further promote the optimization of roles between manufacturing plants and operational efficiency, and aim to further improve production efficiency.

In “development optimization,” efforts are being made to improve product profit margins at the design stage by incorporating cost, quality, and mass production at the same time from the initial development stage, centering on the reduction of variable costs. In addition, we will enhance development efficiency and price competitiveness through global design, standardization, module design, and model reduction, and realize sustainable profit growth by reinvesting the results in growth areas.

At the Development & Production Division, our policy is to achieve “Project Z” (optimization of production and development) with the wisdom, ingenuity, and enthusiasm of all employees, and all employees will work as one team toward the common goal. In addition, we will strengthen the creation of intellectual property from the development theme point of view, while also improving development capabilities, productivity, and profitability at the same time. We will also improve quality by enhancing design capabilities and promoting multi-skilling.

Under the motto, “Work quickly, work hard, work happily,” we will all strive to improve the speed, accuracy, and motivation of our work, and will act with determination toward realizing our goals.

Project Z

Optimize production: create robust structure for production sites

We will invest capital in production base reorganization and increase productivity to boost profitability.

- 2025 Termination of production in Kumamoto
- Transferring production to Matsuyama as planned
- Effects of site consolidation to emerge from 2026, with measures being promoted toward 2030
  - Implementation phase of production efficiency improvement
  - Construction of buildings and establishment of a system to consolidate sites

Optimize development: product profitability improvements and efficiency of development

Implement short-term variable expense reduction and reduce models and types to shift development resources to growth themes

- Effect of improvement in product profit margin achieved as planned for 2025
- Toward the 2027 Plan, pursue further improvements by expanding scope and methods
- Reducing the number of types and models as planned

Effect

Increased earnings effect in 2027  
Approx. 3.0 billion yen  
(compared with FY2023)  
\* Initial: 3.5 billion yen

Research and development policy

We conduct research and development in line with the four spirits as the engineer, upholding the mission of “contributing to society through agricultural machinery.”

Spirit as the engineer

- Market ideas
- Always being one step ahead of the competitors
- Exert all technical potential
- Be totally dedicated to product philosophy

The Company's characteristics in research and development, production

- Maximized product value based on technological capabilities and intellectual property strategies
- Technical capabilities specialized in agricultural machinery for paddy rice cultivation that supports Japanese rice production
- Joint research and development in collaboration with research institutions, universities, etc.
- Strengthened collaboration with Dream Agricultural Research Institute (Initiatives for smart agriculture that utilize advanced technologies)
- Development of specialized human resources in research and development and at production sites

Optimize production:

Initiatives to Optimize Production and Production Structure

Issues such as seasonal fluctuations in production and decreased production efficiency due to a decline in the number of units have become apparent in line with changes in the domestic market. The Company is responding to this by promoting production optimization through a review and reorganization of the roles of production bases in Japan and overseas as a measure under Project Z. In the conventional multi-site system in Japan, diverse needs were met by having multiple assembly sites for mainstay products. On the other hand, there were issues of inefficiency, such as duplication of processes and facilities, and differences in capacity utilization among sites.

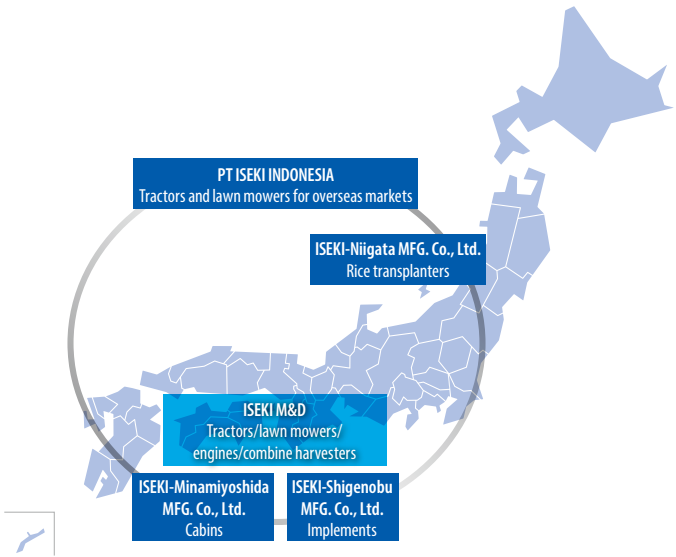
To solve these issues, the Company is building a production system centered on ISEKI M&D. The Company is gradually promoting the restructuring of its domestic bases based on the integration of product assembly functions and the division of roles in component production. In concrete terms, the Company is consolidating the assembly functions of its main products into ISEKI M&D, while also developing a production network in which each base plays its respective roles, including ISEKI-Niigata MFG. Co., Ltd., ISEKI-Shigenobu MFG. Co., Ltd., and ISEKI-Minamiyoshida MFG. Co., Ltd.

In 2025, we terminated combine production in Kumamoto and transferred production of these products to Matsuyama. We also relocated facilities in Kumamoto to each base. In addition, as part of a restructuring of the component production system, production of hydraulic equipment was transferred to the ISEKI Niigata Factory, and production began there in January 2026.

In the future, we plan to further consolidate product assembly bases in stages, and transfer rice transplanter production at ISEKI-Niigata MFG. Co., Ltd. to ISEKI M&D by 2029. As a result, we will concentrate our product assembly bases in Matsuyama and aim to realize a “robust production system.”

Regarding overseas production bases, we will augment the production structure at PT ISEKI INDONESIA while transferring overseas-bound tractors, lawn mowers, and other products from ISEKI M&D (Matsuyama) to accelerate global expansion.

Through these initiatives, we aim to improve efficiency through the consolidation of processes and facilities, equalize production, and improve productivity. At the same time, we aim to build a solid earnings base that can secure stable earnings regardless of the number of units produced, by streamlining our organization.

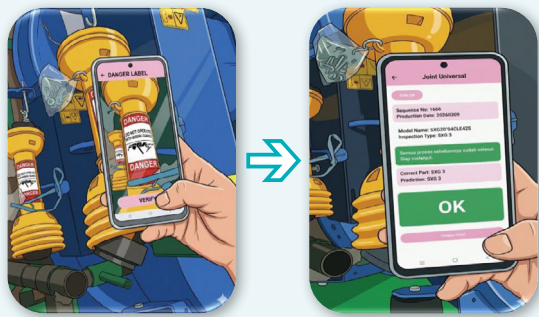


TOPIC Establishment of digital quality management system at overseas production sites

As part of its efforts to optimize production, the Company is strengthening the quality management system at PT ISEKI INDONESIA, its overseas production base. At this base, we have introduced advanced process management through the use of computerized check sheets, as well as a mechanism for managing work history, such as work certification and defects, using two-dimensional codes, to thoroughly ensure in-process assurance at each process.

In addition, we developed and rolled out a digital error-proofing system (a mechanism to prevent work errors) that utilizes AI, and realized prevention of mis-assembly and improvement of inspection accuracy through automatic recognition of similar parts. These efforts have made it possible to identify defects in real time and provide rapid feedback to the upstream process, stabilizing quality while improving productivity.

The Company has positioned PT ISEKI INDONESIA as one of the cores of its global production system, and will continue to strengthen its production base to support stable quality.



MENU GUIDE

|                                                     |    |
|-----------------------------------------------------|----|
| What ISEKI Group aims for                           |    |
| Key Points of ISEKI Report 2026                     |    |
| ISEKI Group's value creation                        |    |
| Management strategies to improve corporate value    |    |
| Materiality                                         | 23 |
| Financial and capital strategies                    | 25 |
| Dialogue with shareholders and investors            | 29 |
| Human resource strategies                           | 31 |
| Domestic Market Strategies                          | 37 |
| Overseas Market Strategies                          | 41 |
| Product/Development Strategies                      | 45 |
| Product roundtable discussion                       | 51 |
| Management foundation to support sustainable growth |    |
| Financial and non-financial data                    |    |
| Company information / Stock information             |    |

Product/Development Strategies

Optimize development

In the “development optimization” initiative of Project Z, we are working to improve product profitability, reduce the number of product models, and improve development efficiency through standardized design, focusing on reducing variable costs.

To improve product profitability, we have set a target of reducing product variable expenses by 10% or more. Although delays have been seen in some initiatives, improvements are being made by expanding the scope and methods. Development, manufacturing, and purchasing are all integrated in these activities, and we are working to improve profit margins based on manufacturing that ensures quality, cost, and QCD.



Global cabin design for sharing with other series

In terms of development efficiency, we are promoting the consolidation of machine types (series) and models, and the standardization of designs. As a result of finely dividing specifications in response to local needs, the number of models has increased, causing an increase in the burden at the development and production stages. For this reason, we are using the timing of model changes to promote model consolidation and focus on the required specifications, thereby enhancing the adaptability of each model. We expect to reduce the number of machine types (series) by approximately 30%. In addition to streamlining design and development process, we are also focusing on the allocation of the development resources we have created to the growing areas of “large,” “cutting-edge,” “field crops,” and “environment.”

TOPIC Development of the new small tractor model “BB Series”

The Company is working to improve development efficiency by reviewing its product system, integrating redundant horsepower bands, and standardizing basic structures. As part of these efforts, we commercialized the “BB Series,” a new model that integrates the TM Series and the TQ Series of small tractors. The BB Series uses a compact one-piece structure for the bonnet, improving visibility and maintainability. In addition, continuous installation of a synchro-linear shift function (a convenient function for smooth forward and backward movement) has realized high operability.



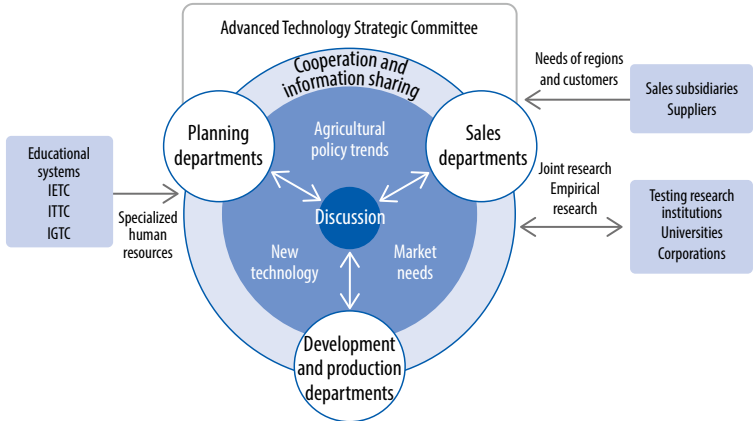
“BB Series,” a new small-sized tractor model for the Japanese market, with 19 horsepower

Research and development system

We have built a research and development system that displays collective power through mutual collaboration among the planning, development, production, and sales departments, and manufacture products that meet the market needs of each country and region. The “Product Development Strategy Committee” regularly discusses the direction with an eye on medium-term solutions of social issues, and determines basic policies and plans for product strategies and research and development. For advanced technologies, a priority area, the “Advanced Technology Strategic Committee” narrows down themes to be addressed and shares technological trends, takes a deep dive into issues, and discusses business development that leverages the Company’s strengths.

The ISEKI Basic Engineering Training Center (IETC), which is a training facility specialized in designing technologies, dedicates itself to foster human resources to promote frontrunner development such as application of robotic technology and electrification. In addition, in recent years, the Company has been promoting the use of digital technology, including generative AI, in research and development, and has implemented educational programs by external experts covering the basics of generative AI to its application in development operations. Furthermore, within the Company, efforts are being made to strengthen research and development capabilities by promoting the introduction of AI tools that support development operations, leading to increased efficiency in design and development process, and the creation of new ideas.

Moreover, we are generating new value by integrating external resources with our core technologies through numerous types of collaboration, including joint research with universities and companies and open innovation.



Joint development projects in FY2025

|                       |          |
|-----------------------|----------|
| Research institutions | 7 themes |
| Universities          | 2 themes |

TOPIC Examples of AI utilization in product development

Initiatives to utilize generative AI in the design review process

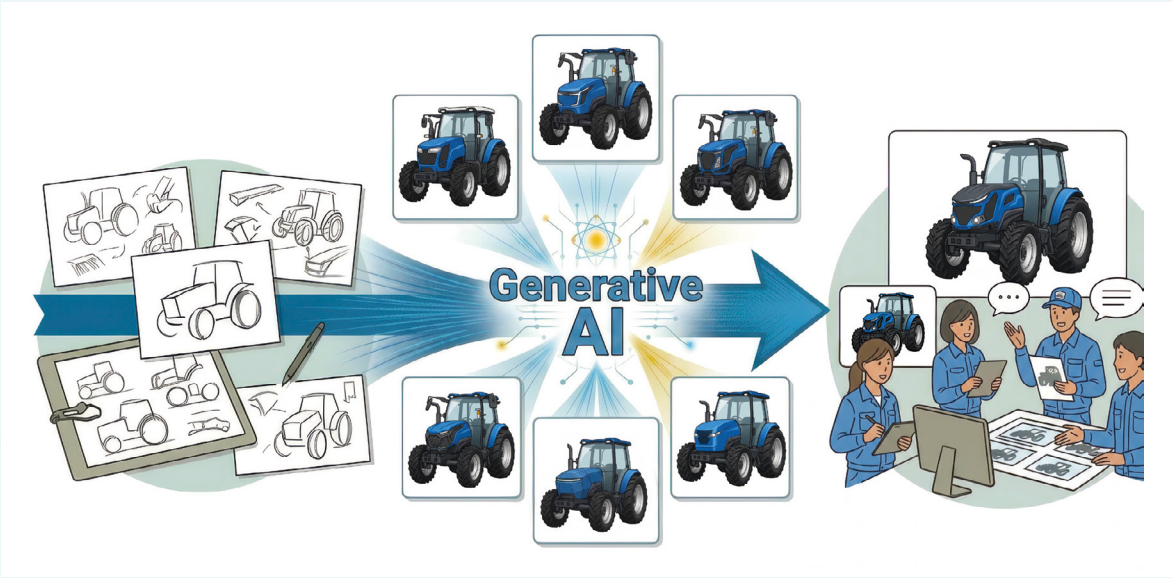
In order to enhance the quality of design consideration in product development, the Company began utilizing generative AI (a type of artificial intelligence with creative capabilities) mainly in the initial phase.

At the Design Department, in the process of progressing from hand-drawn sketches to designs, issues were “improving the speed of consideration” and “expanding the range of ideas” within a limited amount of time.

Therefore, we have improved the efficiency of generating ideas at the planning stage by selecting and introducing tools that can faithfully reproduce the intent of the sketch while appropriately expressing it as research materials.

As the output of generative AI varies, we maintain the principle that the final decision-making will be performed by people as in the past, but we are also pursuing designs that focus more on details than ever before, taking advantage of the time generated by efficiency improvements.

In the future, we will continue to position AI as a supplementary technology for enhancing human creativity, and carefully and proactively advance further deepening of design by combining sensibility and technology.



TOPIC Example of industry-government-university collaboration

Participation in commissioned research by the Fukushima Institute for Research, Education and Innovation (F-REI)

The Company is participating in research commissioned by the Fukushima Institute for Research, Education and Innovation (F-REI), and is collaborating with universities, research institutions, and companies on demonstrative research on remote-monitoring automated driving systems using agricultural machinery.

The objective of this research is to address issues such as the shortage of personnel for paddy rice cultivation and the increase in the size of paddy fields in Japan, including Fukushima Prefecture, and to build a fully unmanned automated travel system that works while autonomously moving between multiple fields.

To achieve this, we are working on the following:

- Remote monitoring of automatic traveling agricultural machinery
- Operation of multiple-vehicle agricultural machinery through farmland management utilizing a digital map of a wide area

While establishing such technologies, we are conducting demonstration experiments in actual farmland environments.

By utilizing various sensors, communication technology, and digital maps mounted on the agricultural machinery, multiple automatic driving agricultural machinery can be monitored and operated from a remote location. We aim to realize a new work system for paddy field agriculture that enables even a small number of people to manage a large area of farmland efficiently.



MENU GUIDE

What ISEKI Group aims for

Key Points of ISEKI Report 2026

ISEKI Group's value creation

Management strategies to improve corporate value

|                                          |    |
|------------------------------------------|----|
| Materiality                              | 23 |
| Financial and capital strategies         | 25 |
| Dialogue with shareholders and investors | 29 |
| Human resource strategies                | 31 |
| Domestic Market Strategies               | 37 |
| Overseas Market Strategies               | 41 |
| Product/Development Strategies           | 45 |
| Product roundtable discussion            | 51 |

Management foundation to support sustainable growth

Financial and non-financial data

Company information / Stock information

Product/Development Strategies

Intellectual property strategies

Intellectual property policy

Since its foundation in 1926, ISEKI Group has pursued improvements in agricultural efficiency and laborsaving under the philosophy of its founder “freeing farmers from exhausting labor” and has provided numerous advanced agricultural machinery over the period of 100 years. In this context, viewing intellectual property and intangible assets as the basis of our management resources, we will strategically leverage them, for example, introducing newly developed technologies into products and services and providing them externally, and promote sustainable business development, in order to practice ISEKI Group’s corporate philosophy, “We strive to contribute to the creation of the prosperous and sustainable society through ‘providing innovative products and higher quality of services to the customers.’”

Creation of technologies that become our strengths

In implementing intellectual property strategies that are integrated with management strategies, we will create technologies that will be our strengths through research and development, and link them to sustainable technological innovations.

Variable fertilizer rice transplanter with soil sensor

It detects soil fertility in real time and controls the amount of fertilizer applied. By reducing the amount of fertilizer applied, it is possible to prevent environmental contamination and reduce farming costs. At the same time, the knowledge obtained is being used to propose farming know-how such as guidelines for fertilizer design, control of lodging due to excessive fertilization, and annual improvements in yield and quality.

Landscape improvement

While using technologies for tractors which have been cultivated in agriculture, we have been developing products for landscaping of towns, such as mowing in parks, road cleaning, and snow clearing work. The products are sold mainly in Europe. They have a good reputation in the market for their mowing performance in which the mowing marks are clean, and its grass-collecting performance in which the mowed grass is collected smoothly into a collector. Other features such as comfortability and durability have received high praise from the market.



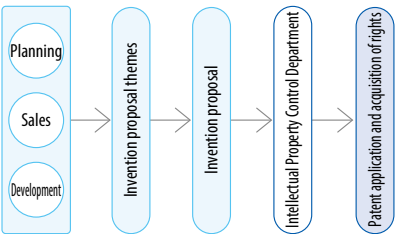
Lineup of mowing machines



Intellectual property management

System for promoting intellectual property activities

Taking into consideration research and development themes selected through consensus among the development, sales and planning departments, as well as promising technologies, and market trends and needs, ISEKI Group sets invention proposal themes and strongly drives forward invention proposal activities. Our engineers in charge of different products come together and carry out invention creation activities as a group to draw ideas and improve the quality of inventions and horizontally deploy technologies. We evaluate proposed inventions and select ones from them in consideration of potential and feasibility, and the Intellectual Property Control Department applies for patents for the selected ones to acquire property rights.



Invention awards

- National Invention Awards, Regional Invention Awards (Sponsored by Japan Institute of Invention and Innovation)

As of the end of 2025, ISEKI Group received a total of 241 awards including 19 national awards for inventions and 222 regional awards for inventions.

- ISEKI received the “Ehime Prefecture Invention Association Chairman’s Prize” in the 2025 Shikoku Regional Awards for Inventions.

“Straight-travel Assist Lever” (Patent No. 7180740) \* This technology is used in tractors and rice transplanters.

Number of patent application registrations per specialty field and Patent allowance rate

In 2024, in the other special machinery field in Japan, the Company ranked second in the number of patent application registrations per specialty field and third in the patent allowance rate.

Number of patent application registrations per specialty field

| Year       | 2000–2006                                            | 2007–2014 | 2016–2017 | 2018                                                           | 2019  | 2020–2024 |
|------------|------------------------------------------------------|-----------|-----------|----------------------------------------------------------------|-------|-----------|
| Statistics | Number of laid-open applications per specialty field |           |           | Number of patent application registrations per specialty field |       |           |
| Field      | Agriculture and fisheries                            |           |           | Other special machinery                                        |       |           |
| Rank       | No. 1                                                |           |           | No. 2                                                          | No. 1 | No. 2     |

Patent allowance rate

| Year                   | 2004–2010 | 2011  | 2012–2017 | 2018  | 2019  | 2020  | 2021  | 2022  | 2023 | 2024  |
|------------------------|-----------|-------|-----------|-------|-------|-------|-------|-------|------|-------|
| Patent allowance rate* | —         | 91.8% | —         | 96.4% | 97.7% | 98.7% | 97.2% | 94.6% | —    | 96.7% |
| Rank                   | No. 1     | No. 2 | No. 1     | No. 2 | No. 1 |       | No. 3 |       | —    | No. 3 |

\* Patent allowance rate = Number of allowed applications / (Number of allowed applications + Number of rejected applications + Number of withdrawn and abandoned applications)

Number of withdrawn and abandoned applications = Number of applications withdrawn or abandoned after notification of reasons for refusal

In 2023, since the number of patent application registrations fell short of the disclosure standards, the patent allowance rate was not disclosed.

Efforts to improve quality and customer satisfaction

Basic Policy (Fundamental concept)

- In order to provide safe and reliable products and services that satisfy customers, we will strive to create quality that satisfies customers in all our products and services, including ISEKI brand products.
- The Group takes all possible measures for quality control and makes prompt responses in good faith should any quality-related issues arise.

To enhance quality governance

The Company established the Global Quality Management Department (GQM Department) in April 2025 with the aim of ensuring and enhancing product quality and service quality. The GQM Department strengthens guidance and monitoring for the entire Group, and plays a role as a “second-line function” in internal control. In addition, while working to improve customer satisfaction, the Company is working to respond quickly and objectively to issues that arise in the market by taking charge of judging quality assurance operations. In addition, the Company has positioned the cybersecurity of its products, for which compliance with social requirements and laws and regulations is becoming increasingly important, as part of quality, and is building a framework and promoting company-wide initiatives under the leadership of the GQM Department.

Compliance with laws and regulations and improvement of quality standards

Gathering accurate information and responding in a timely manner are essential for the swift changes in global affairs and the strengthening of environmental regulations. The information obtained is promptly and appropriately reflected in products, services, business operation systems, etc. In addition, we collect and analyze quality-related information on approximately 600 ISEKI brand products purchased by domestic and overseas sales companies, and provide advice and follow-up on quality-related improvements, as well as horizontal deployment.

Efforts to improve customer satisfaction

The Customer Satisfaction Improvement Working Group (WG) was established in April 2025 as an initiative to improve customer satisfaction. Meetings are held once every two months, and measures are formulated and implemented across the Group to improve customer satisfaction.

Examples of initiatives

- Conducted education using a remake of the CS Handbook.
- In order to raise awareness, CS improvement initiatives are regularly posted in the company newsletter four times per year.



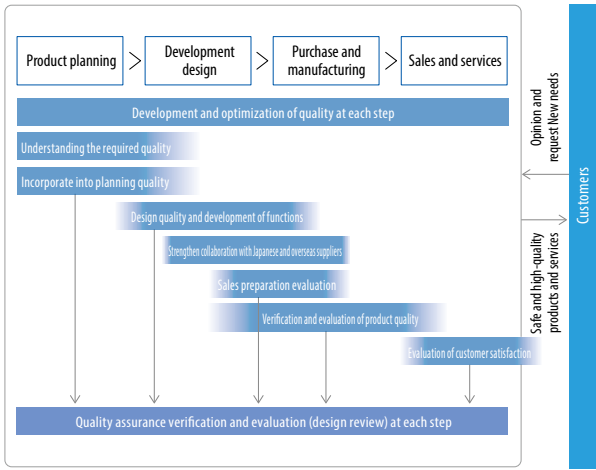
Product development reflecting the voices of customers

ISEKI Group has a seamless quality assurance system in place, where quality assurance verification and evaluation are conducted (design is reviewed) in every step from product planning, development and design to purchase, manufacturing, sales, and services with the aim of providing products that are safe and respond to the trust placed by the customers.

In product development, we collect customer requests, new needs, and evaluations through our daily service activities, and reflect them in “product planning.” Then, we build in functions to meet needs in “development and design,” and deploy them in “purchasing and manufacturing,” which we use to develop safe, high-quality products. In each step, the Group carries out evaluation and verification of quality optimization from various aspects.

At a meeting held by the Quality Improvement Committee every month, ISEKI checks the status of activities for quality improvement, reports if there has been a quality deficiency issue, and discusses matters including measures against the deficiency and recurrence prevention measures.

Flow of how voices of customers are reflected in product development



MENU GUIDE

What ISEKI Group aims for

Key Points of ISEKI Report 2026

ISEKI Group's value creation

Management strategies to improve corporate value

|                                          |    |
|------------------------------------------|----|
| Materiality                              | 23 |
| Financial and capital strategies         | 25 |
| Dialogue with shareholders and investors | 29 |
| Human resource strategies                | 31 |
| Domestic Market Strategies               | 37 |
| Overseas Market Strategies               | 41 |
| Product/Development Strategies           | 45 |
| Product roundtable discussion            | 51 |

Management foundation to support sustainable growth

Financial and non-financial data

Company information / Stock information

## JAPAN Series supports the future of agriculture



Takanori Izutani  
Product Planning Department

Yoshihito Onozato  
Deputy Division Manager, Sales Planning Department, ISEKI Japan Co., Ltd.  
Head of Agricultural Machinery Promotion Group and Large-scale Planning Section

Tomoshi Yamashita  
Large Tractor Group,  
Tractor Engineering Department

## Contribute to the realization of sustainable agriculture by solving agricultural issues and improving productivity through the JAPAN Series

**In 2026, we will launch all new models of tractors, rice transplanters, and combine harvesters in the JAPAN Series of flagship machines for professional farmers. What issues will the JAPAN Series, which has contributed to Japanese agriculture, solve for farmers in the future, and what value will it provide? Three veteran employees, one each from the Product Planning Department, Development Department, and Sales Department, who were involved in the development project, discussed the JAPAN Series and the future of ISEKI & Co., Ltd.**

### History of the JAPAN Series and each participant's involvement

**Izutani:** ISEKI & Co., Ltd.'s flagship model, the JAPAN Series, began with the combine harvester, and "Frontier Japan," which was launched in 1995, was the birth of the JAPAN Series. We plan to launch the new "HJ Series" in December 2026 as the culmination of the "high accuracy, high efficiency, and high durability" pursued over the subsequent 30 years. Beginning with the "TJ Series" in 2001, the JAPAN Series of tractors evolved into large tractors that can be used not only for paddy fields but also for dry fields. In 2006, the "TJW Series" was launched, in 2010, the "TJV Series" was launched, and in 2013, the "TJX Series" was launched. In June 2026, the "BJ

Series" was launched as a fully remodeled version of the "TJV Series." Rice transplanters began bearing the JAPAN Series name with the "PRJ Series" launched in 2020, and the fully remodeled "PJ Series" will be launched in July 2026.

At present, I am in charge of promoting the commercialization of tractors in the Product Planning Department, but before that, I belonged to the Engineering Department and engaged in design work mainly for tractors. My involvement with the JAPAN Series began in 2006 with the design of the first model of the aforementioned large tractor "TJW Series," and after that, I was in charge of the design from the first model of the "TJV Series" and "TJX Series" to minor changes, and have a long-standing attachment to the JAPAN Series.

**Yamashita:** After undergoing training in the Production Engineering Department at a plant for approximately one year after joining the Company, I have been engaged in the design and development of large tractors in the Large Tractor Group of the Tractor Engineering Department since 2015. There were times when I worked together with Mr. Izutani, and while receiving various instructions, I was in charge of the electrical systems and control systems of the "TJV Series" and "TJX Series." I am also in charge of designing the new "BJ Series." Since joining the Company, I have been consistently involved in the JAPAN Series.

**Onozato:** The Agricultural Machinery Promotion Group to which I belong is a department that is mainly responsible for marketing and sales strategies. Its role is to identify and analyze user needs through market research and interviews with sales subsidiaries prior to new product development, and then provide information to the Product Planning Department and Engineering Department. In addition, after the launch of new products, we prepare sales promotion tools, etc., and conduct sales training within the Company and for sales subsidiaries. With regard to the new JAPAN Series, while conveying the requests of the sales division, we held repeated discussions with the Product Planning Department and the Engineering Department.

When I first joined the Company, I was in charge of working machines at the Agri-Implements Department, and I was involved in the JAPAN Series, including confirming the matching of tractors and implements. Currently, as the head of a group that brings together members in charge of each model, I am deepening my involvement in the JAPAN Series.

### Background to the launch of the new JAPAN Series

**Izutani:** In response to the decrease in the agricultural population and the aging of farmers, the accumulation and consolidation of agricultural land and large-scale farming are progressing. As a result, there is a need for large-sized agricultural machinery so that work can be done by a small number of people. In addition, against a backdrop of labor shortages, there is a need to introduce advanced technology so that even inexperienced workers can perform operations equivalent to those of skilled workers. The new JAPAN Series has been developed to meet these needs.

**Onozato:** As field plots become larger, longer work hours caused by the increase in farmland area are increasing the burden on workers. Agricultural machinery is required to have functions that prevent fatigue even after long hours of work, and to ensure reproducibility so that anyone can work in the same way as a countermeasure against labor shortages. For this reason, in addition to the "high accuracy, high efficiency, and high durability" pursued so far in the new JAPAN Series, greater emphasis is placed on operator comfort, including ease of operation and a low-noise cabin design.

**Yamashita:** With regard to tractors, there were strong calls for increased horsepower and hydraulic lift, and in response to this, the top-of-the-line model of the "BJ Series" was set at 105 horsepower. The first model of the "TJV Series" has a maximum of 95 horsepower, which means that it has increased by 10 horsepower in 16 years through repeated model changes. In order to respond to customer demand for high horsepower and high output in an environment



where the amount of work is increasing as a result of larger-scale farming, the Engineering Department pursued optimal forms for engine selection and the system configuration of the entire tractor.

In addition, as a result of the accumulation and consolidation of agricultural land, there has been a shift from individual farmers to large-scale agricultural management entities, and there has been an increase in the number of tractors, combine harvesters, and rice transplanters owned, operated, and managed by multiple persons. In that case, there is a need for a system that can centrally manage not only the agricultural machinery itself but also agricultural machinery and farming information. The "BJ Series" was also designed and developed in consideration of its compatibility with agricultural management systems, based on feedback from the Sales Planning Department and requests from the Product Planning Department.

### Project Z driving the achievement of growth strategy targets

**Izutani:** Among the tractors in the JAPAN Series, the "TJV Series" mentioned above has responded to market needs as a model that can be used not only for paddy fields but also for field crops. It was a model that adopted a dual-clutch transmission system with high transmission efficiency, but there were calls for the installation of a continuously variable transmission with superior ease of use and smooth workability.

When we actually interviewed sales subsidiaries, they asked us not only to adopt a continuously variable transmission, but also to focus on cabin comfort, livability, and operability, as Mr. Onozato said. The "BJ Series," which was developed based on this, is a product that accurately captures the needs of the field, including the installation of a continuously variable transmission, changes to the engine, and the introduction of a straight-travel assist function and a touch panel to operate it.

**Yamashita:** Minor changes will be made if market demand can be met with the addition of parts or slight changes in specifications, but this development was a full model change in which a number of new devices and equipment were added, and functions and performance were radically renewed.

## MENU GUIDE

What ISEKI Group aims for

Key Points of ISEKI Report 2026

ISEKI Group's value creation

Management strategies to improve  
corporate value

Materiality 23

Financial and capital strategies 25

Dialogue with shareholders and investors 29

Human resource strategies 31

Domestic Market Strategies 37

Overseas Market Strategies 41

Product/Development Strategies 45

Product roundtable discussion 51

Management foundation to support  
sustainable growth

Financial and non-financial data

Company information /  
Stock information

JAPAN Series supports the future of agriculture



**Onozato:** The launch of a model with significantly enhanced functions and performance will have a major impact on the market. In addition, the “BJ Series” is equipped with a continuously variable transmission, a specification that our sales teams have been eagerly anticipating, so we are looking forward to promoting it extensively.

**Izutani:** The “BJ Series” also encompasses all of the key focus areas for the domestic market identified under Project Z, “large,” “cutting-edge” “field crops,” and “environment.” It is positioned as a core product that will drive the achievement of the plan within the new JAPAN Series, which will be the axis of the growth strategy of Project Z.

**Onozato:** Project Z aims to increase the ratio of large-sized machinery to 50% or more of net sales of agricultural machinery products in Japan in FY2030. There is no doubt that the “BJ Series” will make a significant contribution to achieving this goal ahead of schedule and further increasing the ratio. The Sales Planning Department is in the process of closely examining plans for the maximization of sales results.

Development process of “BJ Series” tractors

**Izutani:** The period from the planning of a new product to its launch varies depending on the development theme, but it can be quite long. In the case of large tractors, we not only interviewed our sales subsidiaries but also listened to customers. In the development of the “BJ Series,” we began interviewing customers at the beginning of the planning stage about five years ago. During the process, the content of the interview is brought back to the Company, and after consulting and discussing with the Sales Department and the Engineering Department, the interview is conducted again as necessary, and the plan is elaborated over time.

**Onozato:** We receive a wide variety of requests from the market, including individual circumstances, which are analyzed and organized by the Engineering Department, and brought to the meeting with the sales company in a form that narrows down the main points. Collaboration with the Engineering Department and the Product Planning Department has greatly helped us understand the latest trends in touch panels and digital-related technologies.

**Izutani:** After that, we conduct trial manufacture of machines, field

tests, and endurance test based on the commercialization process of internal regulations. At the experimental facilities of the Tobe Office (Ehime Prefecture), there is also a test in which the transmission is run for approximately 1,000 hours. Once we have a clear idea, we will ask the sales subsidiaries to confirm the prototype with the actual equipment and hear their opinions. If there are issues to be addressed, we will address them. As we move toward mass production, we will consult with the Sales Department to set the price and number of units to be sold, and work out the specifications.

In the development of combine harvesters and rice transplanters, tests are conducted only during the harvest and rice planting seasons, and if development is delayed for one year, development will be suspended until the following year. Therefore, schedule management toward commercialization is more important.

**Yamashita:** The development period for normal minor changes is not that long, and model changes often take two to three years, but the development of the “BJ Series” was a project that began around the time of the COVID-19 crisis, and it took a long time to commercialize it.

As the project progressed, there were changes in specifications from the initial plan. The biggest change was the engine. Originally, we had planned to equip the model with an engine procured from an external supplier, as had been the case previously. However, every time a model was changed, after-treatment equipment was installed to comply with exhaust gas regulations, and the engine was becoming heavier and heavier, so there were requests for further weight reductions. For this reason, we decided to develop a new engine in-house and install it in order to satisfy both exhaust gas regulations and weight reduction needs. This is one of the factors that led to large-scale development.

Key features of the new JAPAN Series

**Izutani:** The product concept of the “BJ Series” is “a tractor you'll want to drive again tomorrow.” This was in response to requests for attention to comfort, as tractors work all day long, so that vibration and noise are reduced and fatigue does not remain after work. This was the main point of the model change plan.

**Yamashita:** As already explained, the “BJ Series” is equipped with a number of new functions. Of these, I personally think the appealing functions are the aspects that make it difficult to get tired even after long hours of work and the ease of operation.

For example, there is a lever for operating a continuously variable transmission in the armrest on the right side of the seat. This is a newly developed multi-function lever that can be used not only for acceleration and deceleration, but also for raising and lowering working machines. It is also equipped with function buttons that allow the user to set functions. They are put together in an armrest, so you can operate and work in a comfortable position.

In addition, air suspension has been adopted for the seats, instead of the conventional mechanical suspension with springs, making it less tiring to sit for a long time.

Regarding the height of the steering wheel, the previous models had only an angle adjustment function, but we have added a function to adjust the front and rear positions.

These are the key features of this machine that we were able to weave in detailed specifications from the design stage so that users can work comfortably.

**Onozato:** As you have discussed tractors in considerable detail, I would like to touch on the key features of rice transplanters and combine harvesters.

The “PJ Series,” a new rice transplanter, has an engine mounted on the front, which was located under the seat in previous models. As a result, an optimal balance of front and rear weight is achieved, and driving performance in wet fields is improved. In addition, in models equipped with straight-travel assist, the variable fertilization function linked to map data is standardized, and fertilization is applied based on a fertilization map created in advance, instead of applying fertilizer uniformly to a single field, making it possible to apply fertilizer effectively and making a significant contribution to reducing production costs. In addition, a mechanism that saves labor in collecting seedling boxes and an assist function that automates not only straight driving but also turning steering are provided to reduce the burden of rice planting operations.

Final adjustments are being made to the new “HJ Series” of combine harvesters, which are scheduled to be launched in December 2026. While placing importance on reducing labor and ease of use, we also achieved reductions in noise and vibration through a review of the cabin, and ensured livability required for long hours of work. Models equipped with straight-travel assist will continue to be offered, supporting combine harvester operation, which has a heavy workload, such as checking the flow of rice plants.

I think the key features of the new JAPAN Series are not only “high accuracy, high efficiency, and high durability” in all products of tractors, rice transplanters, and combines, but also “easy to handle for anyone” and “reliable daily operations.”

**Izutani:** Another point I would like to mention is that we have been promoting a global design of the new JAPAN Series with a view to exporting it to overseas countries such as South Korea and Taiwan.

For example, South Korean laws have been amended to regulate agricultural machinery, requiring different specifications from Japanese ones, such as the installation of fire extinguishers and the ability to turn off batteries. In the past, we dealt with export by modifying products for the domestic market each time in accordance with the regulations of the export destination, and we incurred man-hours and expenses each time.

In order to avoid the burden of these factors, the new JAPAN Series has been designed and commercialized from the planning stage with a view to expanding sales channels overseas. This is expected to lead to the suppression of development and production costs, in addition to streamlining and speeding up overseas expansion.

Toward the future of agriculture and the advancement of ISEKI & Co., Ltd.

**Yamashita:** Agricultural machinery has continued to evolve by responding to needs. New needs will continue to emerge. Those of us involved in design and development must constantly capture new information and enhance our technical capabilities.



Recently, I have noticed that in the past, many products were evaluated based on numerical values such as horsepower and hydraulic lift, but in the future, evaluation will be based on factors that are difficult to quantify, such as ease of handling and comfort, and there will be a growing tendency for customers to feel attracted to these factors. With this in mind, we believe that identifying customer needs and identifying the designs and technologies that will create the value demanded by customers will lead to expanded opportunities for customers to choose ISEKI & Co., Ltd. products.

**Izutani:** As a value provided by agricultural machinery in the future, we can, for example, reduce greenhouse gas emissions by developing machines that curb energy consumption, including fuel consumption. In addition, I would like to further strengthen product development that leads to environmental preservation and resource conservation, such as curbing the consumption of fertilizers and agricultural chemicals. At the same time, in order to contribute to creating an environment where farmers want to continue farming in the future, I would like to aim to create products that allow farmers to concentrate on work that requires judgment and a sense unique to humans, leaving simple and dangerous work to machines.

To this end, we will continue to listen carefully to our customers and pursue truly desired products.

**Onozato:** The environment surrounding agriculture is expected to undergo further major changes in the future from the current situation in which measures are required to address issues such as farmland consolidation, shortages of farmers, and efficiency improvements, and customer needs are also expected to change. I hope to continue playing a role in understanding those changes from the sales perspective and incorporating feedback from the field into product development.

Toward the next 100 years of ISEKI & Co., Ltd., we will further increase the number of fans of ISEKI & Co., Ltd. who choose our products, and contribute to sustainable growth and improved corporate value. In this way, we will strive to ensure that ISEKI & Co., Ltd. continues to exist as an essential company in the world.

MENU GUIDE

|                                                     |    |
|-----------------------------------------------------|----|
| What ISEKI Group aims for                           |    |
| Key Points of ISEKI Report 2026                     |    |
| ISEKI Group's value creation                        |    |
| Management strategies to improve corporate value    |    |
| Materiality                                         | 23 |
| Financial and capital strategies                    | 25 |
| Dialogue with shareholders and investors            | 29 |
| Human resource strategies                           | 31 |
| Domestic Market Strategies                          | 37 |
| Overseas Market Strategies                          | 41 |
| Product/Development Strategies                      | 45 |
| Product roundtable discussion                       | 51 |
| Management foundation to support sustainable growth |    |
| Financial and non-financial data                    |    |
| Company information / Stock information             |    |