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ISEKI Report 2026

ISEKI Report 2026



Contact about this ISEKI report

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井関農機株式会社

What ISEKI Group aims for

Your essential partner

We want to be your irreplaceable partner for the past 100 years and the next 100 years.



Company Motto

Our management philosophy is to provide:

1. Products that satisfy customers;
2. A stable workplace to the employees;
3. Appropriate dividend to shareholders;

and thereby we will fulfill our social mission.

ISEKI's Spirit: Founder's Philosophy

ISEKI Group began with the passion of Kunisaburo Iseki, the founder, "to free farmers from exhausting labor." While receiving support from many people, the Group has continued to inherit this passion, and has played a part in improving agricultural productivity and developing pleasant communities.

Nowadays, agriculture, which supports food supply, and the landscaping business, which supports people's daily lives, are being reaffirmed as essential businesses. ISEKI Group will continue to contribute to the realization of a more prosperous and sustainable society through activities that support customers.

Purpose > 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"

Vision > Long-term Vision

To be a "Solution Provider for Agriculture & Landscape"

Solution Provider for Agriculture & Landscape

Supporting a farming industry full of dreams and beautiful landscapes and creating a future of sustainable agriculture and landscape

Value > Important Values

Spirit

Inheriting our company's founding philosophy, we always carefully consider food, agriculture and landscape and move forward with farmers.

Front runner

As a front-runner, we produce innovative products and higher quality services.

Quality

We will always make premium quality products with passion.

Solution

We constantly take action for solutions to customer issues.

Innovation

We create innovations with advanced technologies and provide new value.

Global

With a global perspective, we work toward solutions to the world's social issues.

Future

Paving the way for tomorrow, open up the future of food, agriculture and landscape.

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Key Points of ISEKI Report 2026

ISEKI Report consists of the three pillars of ISEKI Group’s value creation: “ISEKI Group’s value creation,” “Management strategies to improve corporate value,” and “Management foundation to support sustainable growth.” We have been striving to enhance and improve the content based on opinions on our ISEKI Reports received from stakeholders and insights obtained through daily engagement activities.

| Point | 1

Start of a new management structure

Effective March 27, 2026, Shiro Tomiyasu (formerly Representative Director, President & Executive Officer) was appointed Representative Director, Chairman & Executive Officer, and Hajime Odagiri (formerly Representative Director & Senior Corporate Executive Officer) was appointed Representative Director, President & Executive Officer, launching a new management structure for the next 100 years. In the top management interview, new Chairman Tomiyasu and new President Odagiri describe their aspirations and initiatives going forward.

➤ P5-10 Interview with our President

| Point | 2

Executing strategies to achieve our long-term vision

To realize our long-term vision of becoming a “Solution Provider for Agriculture & Landscape,” we are implementing “Project Z,” a business structural reform without exceptions. This section introduces the measures and progress of Project Z’s fundamental structural reforms and growth strategies.

➤ P11-12 Progress of “Project Z”

➤ P41-44 Overseas Market Strategies

➤ P37-40 Domestic Market Strategies

➤ P45-50 Product/Development Strategies

| Point | 3

Initiatives to strengthen management foundation

This section introduces initiatives related to corporate governance for improving corporate value, through a roundtable discussion among Outside Directors and descriptions such as the evaluation of the Board of Directors’ effectiveness.

➤ P65-68 Roundtable Discussion with Outside Directors

➤ P69-74 Corporate Governance

Publication of “ISEKI Report 2026”

The Company has published ISEKI Reports since 2019, for the purpose of having constructive dialogue with stakeholders.

This report depicts our growth story aimed at realizing our long-term vision of becoming a “Solution Provider for Agriculture & Landscape.”

We hope this report will help deepen mutual understanding with all our stakeholders and contribute to further enhancing our corporate value.

We also affirm that this report was prepared in good faith through the involvement of management and the cooperation of related departments, and that its content is accurate.

Kazuya Tani

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



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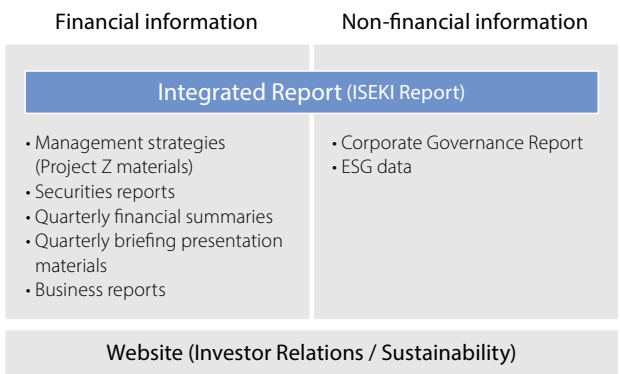
Editing policy
This report has been published with the aim of communicating our initiatives for medium- to long-term improvement of the corporate value of ISEKI Group to a wide range of stakeholders including shareholders and investors from both financial and non-financial aspects.

Covered period
From January through December 2025.
The report also includes some information from and after January 2026.

Scope
As a general rule, this report covers the activities of ISEKI & Co., Ltd. and ISEKI Group’s associated companies in Japan and overseas; notes are added when the scope is limited in certain part hereof.

Referenced guidelines, etc.
IFRS Foundation, “The Integrated Reporting Framework” / Ministry of Economy, Trade and Industry, “Guidance for Collaborative Value Creation 2.0” / GRI, “Sustainability Reporting Standards” / ISO26000 / SDGs / Ministry of the Environment, “Environmental Reporting Guidelines” / Task Force on Climate-related Financial Disclosures (TCFD)

Positioning of information disclosure
ISEKI Group has issued a variety of communication tools to enable constructive dialogues with stakeholders. For detailed information on operating results, ESG data, etc., please refer to the latest information on “Investor Relations” and “Sustainability” pages of our website; along with the ISEKI Report.



Notes on forward-looking information
Forward-looking statements contained in this report are based on information available at the time of the preparation and involve potential risks and uncertainties. Actual results may differ from those expressed by the statements due to changes in economic conditions and market trends.

* Amounts and numbers of shares are rounded down to the unit.

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Interview with our President

Shiro Tomiyasu
Representative Director
Chairman & Executive Officer

Hajime Odagiri
Representative Director
President & Executive Officer



We will transform into a company that shares a prosperous future with its stakeholders and achieves sustainable growth, while expanding both corporate value and social value.

Shiro Tomiyasu, Representative Director, Chairman & Executive Officer
Hajime Odagiri, Representative Director, President & Executive Officer

Session 1 The direction the new management structure aims for

Q Please explain to us the background to the change of President and the launch of the new management structure.

On March 27, 2026, the Company launched a new management structure, with Shiro Tomiyasu appointed Representative Director, Chairman & Executive Officer, and Hajime Odagiri appointed Representative Director, President & Executive Officer. Odagiri, who has served as the person responsible for Project Z since its establishment, will henceforth serve as President while concurrently acting as project leader. He will exercise leadership together with Tomiyasu in steering the Company's management and will make every effort to contribute to the further development of the ISEKI Group while enhancing unity within the Company.

Under Project Z, over the four-year period from 2024 to 2027, we are planning and executing fundamental structural reforms and growth strategies in parallel. In particular, during the two years from 2024 to 2025, we thoroughly implemented fundamental structural reforms, unifying our domestic sales companies and reviewing the structure of our domestic manufacturing bases. In addition, toward the implementation of our growth strategy, we have achieved a certain level of progress in building a foundation for growth over the "next 100 years," including the strengthening of the sales company structure in Europe through the consolidation of our UK sales agent. Now that we have carried out the change of President, we are finally shifting our focus to growth strategy and a change of mindset within the organization.

The Company, which was founded in August 1926, has just taken a new step toward the next 100 years.

To date, the Company has continued to support the modernization of domestic agriculture and the supply of abundant "food," upholding its founding philosophy of "freeing farmers from exhausting labor." At the same time, the Company has broadened the scope of its value offerings to include overseas agricultural machinery markets and Non-Agri fields such as landscape maintenance. As a leader in essential businesses, the Company has strived to resolve many social issues, including the reduction of labor in agriculture and food security.

In the future, ISEKI Group aims to become a company that realizes its long-term vision of becoming a "Solution Provider for Agriculture

& Landscape," building a prosperous future together with its stakeholders. Under the new structure of Chairman and President, we will firmly lead the challenges of the entire Group toward achieving these goals.

Q Please tell us about the mission and future policies of the new management team.

The Company views the improvement of profitability and asset efficiency as two management issues.

Based on the recognition of these issues, we were able to build a foundation for future growth through fundamental structural reforms during the first two years of Project Z, as mentioned above. The mission of the Company's management team is to accelerate the growth strategy while continuing to produce the effects of the fundamental structural reforms, leading to the realization of improved profitability and asset efficiency. The three pillars of Project Z are as follows.

The first is to clarify the axis of our business. We will set our business direction with a view to future markets. For example, in the domestic agricultural machinery market, we will promote our growth strategy by concentrating resources in the four fields of "large," "cutting-edge," "field crops," and "environment."

The second is to strengthen our business foundation. We will build a solid foundation and dramatically improve productivity by reviewing and reforming our work methods from scratch, including the methods of design, production, sales, and service.

The third is to strengthen our responsiveness to change. Changes in the external environment, including social conditions and market trends, are becoming increasingly intense, and we need to recognize these changes as a matter of course and respond accordingly. We will build a strong and flexible corporate structure that enables us to quickly and accurately grasp the situation, anticipate changes, and take the lead.

I believe that it is the role of the management team to share and disseminate Project Z to all employees of the Group, and transform the corporate culture into one in which each and every employee takes the initiative and takes on challenges toward the completion of Project Z, with the three pillars mentioned above as the axis of implementation, and to promote the development of an environment for that purpose.

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Interview with our President

Session 2

Progress and future development of Project Z

Q How has Project Z progressed over the past two years?

In FY2025, the second year since the launch of Project Z, we achieved increases in both sales and profit that were significantly higher than initial forecasts, thanks to a recovery in sales in Japan and continued strong performance overseas. Consolidated net sales were 185.7 billion yen, and operating cash flow was 23.4 billion yen, both record highs. We have also made significant progress in reducing inventories and interest-bearing debt, and we are steadily improving our balance sheet.

As a result, the operating margin was 2.3% and ROE was 3.9%, but we have yet to reach the targeted levels. Achieving our FY2027 targets of an operating margin of 5% or more and ROE of 8% or more will depend on realizing the effects of fundamental structural reforms and generating results from our growth strategy in the remaining two years.

As mentioned above, we have made significant progress in fundamental structural reforms over the past two years. In FY2025, we steadily implemented the themes of “production optimization,” “development optimization,” and “deepening domestic sales.”

With regard to “production optimization,” the Company completed the integration of production bases as planned by terminating production at the Kumamoto Factory and transferring production of combines to the Matsuyama Factory.

As for “development optimization,” although there were some delays in the improvement of product profitability, the

Corporate Philosophy

improvement effects were steadily realized, and efforts were made to recover them by expanding the scope and methods of consideration. In addition, reductions in the number of models and types are proceeding as planned, and we are in the process of “selection and concentration,” in which resources generated through reductions are invested in growth fields.

In terms of “deepening domestic sales,” we established ISEKI Japan Co., Ltd. in January 2025 by integrating seven sales subsidiaries and the Business Division of ISEKI & Co., Ltd., and put in place a framework for improving management efficiency and strengthening sales capabilities.

Meanwhile, in terms of growth strategies, we concentrated management resources in Japan and overseas in FY2025, and made progress in initiatives associated with this.

Outside of Japan, the ISEKI brand has been widely recognized through 60 years of business activities, and Europe, where profitability is high and future growth is expected, has been recognized as a growth engine. In addition to ISEKI France S.A.S. and ISEKI-Maschinen GmbH, we established a three-company European structure with ISEKI UK (Premium Turf-Care Ltd.), which became a consolidated subsidiary in January 2025.

Domestically, as part of our concentration of resources on the growth fields of “large,” “cutting-edge,” “field crops,” and “environment,” we established the Large-scale Planning Section within ISEKI Japan.

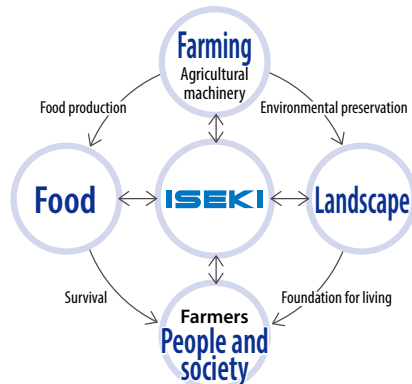
Q Please describe the issues and initiatives for the remaining two years.

With regard to improving profitability and improving asset efficiency, which are the priority issues of Project Z, we are making

Long-term Vision

To be a “Solution Provider for Agriculture & Landscape”

— Supporting a farming industry full of dreams and beautiful landscapes and creating a future of sustainable agriculture and landscape —



● SDGs to be realized by ISEKI Group through its business

- Toward the realization of a sustainable society
- Supporting the enhancement of resilience in agriculture
- Landscaping for livable villages and towns
- Environmental preservation for a recycling-oriented society



steady progress toward the operating margin of 5% or more and ROE of 8% or more, which were set as targets for FY2027, as mentioned above. However, further reforms are required to achieve these targets.

First, under the fundamental structural reform, as part of the move toward “production optimization,” we began combine harvester production at the Matsuyama Factory at the end of March 2026. As effects such as fixed-cost reductions from the consolidation of production sites materialize, we expect our earnings structure to improve in stages.

As for “development optimization,” the effects of improved product profitability will be largely realized by launching products with model changes. In conjunction with increased sales of flagship machines to be launched in the future, we will steadily implement the aforementioned measures to recover from delays and work to improve profitability.

In terms of “deepening domestic sales,” the integration of sales subsidiaries into ISEKI Japan has already produced results, including higher-than-expected progress in reducing inventories. In the future, we will work to improve management efficiency through operational reforms and reviews, including the elimination of redundant operations.

Next, in terms of our growth strategy, as for overseas expansion in the future, we will promote the development of new markets from Europe to the Middle East and Africa, while leveraging the synergies created by the collaboration among the three European companies to expand earnings. Also, in order to expand sales in the ASEAN market, we will add to our product lineup products with price competitiveness made by our business partner TAFE (India).

And in Japan, we will fully accelerate the shift of resources toward “large,” “cutting-edge,” “field crops,” and “environment.” In FY2026, we will carry out a model change of the tractors, rice transplanters,

and combine harvesters in the JAPAN series—the large-sized machinery that are the ISEKI Group’s flagship—and launch them onto the market all at once. Large-scale farmers, who mainly use large-sized machinery, have long operating hours of machines, and maintenance before and after use is important. We will also aim to increase maintenance revenue by expanding sales of large-sized machinery and developing a service structure. In addition, we will develop products in the landscape maintenance field (Non-Agri), which has already achieved results in Europe, into another pillar of earnings in Japan. We will strengthen BtoB and BtoG sales to local governments, parks and green areas, construction and civil engineering-related businesses, and golf courses.

These initiatives will be led by the Large-scale Planning Section, which will develop product strategies and sales strategies that enhance the Company’s ability to offer proposals to large-scale farmers.

Human resources working in the Group will be the main players in achieving Project Z. We will support the advancement of each and every one of our employees through the introduction of personnel systems that evaluate challenges and results, as well as through human capital investments centered on human resources education and the improvement of compensation. I will explain this later.

Session 3

The “ideal image” depicted by our long-term vision

Q What is the Company’s vision for 2030?

As our long-term vision for 2030, the ISEKI Group’s “ideal image” is expressed as becoming a “Solution Provider for Agriculture &

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Landscape.” The ISEKI Group has been engaged in business activities centering on agriculture since its foundation. The product of agriculture is “food,” and it is largely related to solving social issues such as food self-sufficiency and food security. In addition, agriculture is inseparable from the land, and the landscape maintenance business developed overseas is also a business that faces the land.

Through these activities, we need to evolve into a corporate group that can not only provide agricultural machinery but also provide comprehensive value in response to various issues related to “food, agriculture and land,” including know-how, technologies, and information.

We consider this to be a milestone toward achieving our corporate philosophy of “contributing to the creation of a prosperous and sustainable society through ‘providing innovative products and higher quality of services to the customers.’”

In order to achieve this, it is important to first steadily complete Project Z by FY2027, improve profitability and asset efficiency, and establish a business foundation for growth. In FY2028 and beyond, we will shift to a growth phase and build the “foundation for the next 100 years.”

I would like to ask about the Company’s human capital management policy and initiatives.

At the ISEKI Group, corporate growth and employee engagement are mutually reinforcing. As each and every employee takes the initiative in thinking and taking on challenges, the organization's ability to execute is enhanced, which in turn accelerates corporate growth. In order to create this virtuous cycle, we are promoting improvement of engagement as an important management theme.

Based on this concept, the previous personnel system had elements of seniority, but in the new personnel system, this has

been changed, and efforts are being made to transform the system into one that reflects specific results in compensation. Linking the personal goals of employees with the goals of Project Z will lead to improved corporate value. In the future, we will establish a corporate culture that values “challenges and results” throughout the ISEKI Group.

In addition, the Company has launched the “Wellbeing Promotion Project,” which consists of employees from a wide range of age groups and departments, and is working to ensure that employees can continue to work in a stable mental and physical condition.

Session 4

Value co-creation with stakeholders

What is your message to shareholders and investors?

Currently, the Company’s PBR is below 1.0x, hovering at around 0.5x. To address these issues, Project Z set targets for FY2027 of an operating margin of 5% or more, ROE of 8% or more, and DOE of 2% or more. In addition to improving profitability and asset efficiency, the Company will strive to expand shareholder returns, improve corporate value, and improve its market valuation. To that end, it is important to widely communicate the future corporate value and social value that the ISEKI Group will achieve through strengthening IR and ESG-related activities, and make efforts to appeal to the stock market.

In FY2025, the Company paid a year-end dividend of ¥40 per share, an increase of ¥10 from the previous fiscal year, and DOE improved to 1.3% from 1.0% in the previous fiscal year. For FY2026 as well, the Company plans to continue increasing the year-end

dividend, to ¥45. We will make every effort to earn a good reputation as a company that can provide appropriate returns to shareholders.

In terms of IR communication, the Company has increased opportunities for individual meetings with institutional investors, as well as participation in large-scale events for individual investors, business briefings, and facility tours. Through such dialogues, we will carefully convey the direction that the Company’s management is headed, and by utilizing the feedback we receive from shareholders and investors in our management, we will meet the expectations of shareholders and investors.

Please tell us about your efforts to build relationships with stakeholders.

The business activities of the ISEKI Group are essential businesses that support agriculture, which supplies “food,” and contribute to creating an environment through landscape maintenance. We recognize that our efforts, which are indispensable in the world, are the co-creation of value with all stakeholders, including shareholders and investors.

Value co-creation with customers is embodied in the Company’s corporate philosophy of “contributing to the creation of a prosperous and sustainable society through ‘providing innovative products and higher quality of services to the customers.’”

By listening to customers at the frontlines of our sales activities and reflecting their needs in product development and the provision of information and know-how, we will enhance the quality of the value we provide and achieve coexistence and co-prosperity with our customers.

Aspirations and Resolve on Assuming the Presidency

Hajime Odagiri,
Representative Director, President & Executive Officer

Taking on the role of steering management at a company that has had a long, 100-year history, I feel a keen sense of the weight of this responsibility.

I joined the Company in 1987, and have been engaged in manufacturing since I was assigned to the development division. After that, I was assigned overseas, including a base in China, and served as the president of a sales company in Japan, and had the opportunity to accumulate experience not only in development but also in various worksites. Since 2020, I have been involved in overall management as a director, and I have served as the leader of Project Z, which was launched in 2023.

I believe that what I have gained through my on-site experience is extremely significant, and that it serves as the foundation for my current strengths and beliefs. In addition, I believe that there will always be hints for innovation on the ground.

I built a network to cover a wide range of areas while getting in touch with the thoughts of many colleagues working on site. If I have any issues or concerns, I go the site

Business partners that constitute the supply chain are also important stakeholders. We have established opportunities for communication with our business partners. By communicating policies and information related to business development and building fair and impartial business relationships, we are strengthening bonds of trust and striving for partnerships that contribute to mutual growth.

In terms of relationships with local communities, the Company strives to build close relationships through clean-up activities around its factories and participation in the “NOGYOJOSHI (female farmers) project” promoted by the Ministry of Agriculture, Forestry and Fisheries. In addition, we have concluded partnership agreements with 10 local governments to promote “organic agriculture and environmental conservation agriculture” that utilize smart agriculture technology.

Another important stakeholder is the Group’s employees and their families. As I have already explained about human capital management, I would like to work together with employees to build a company in which each and every employee can work with pride. In this way, the Group will work together to achieve sustainable corporate growth.

We look forward to your continued support as we expand the scope of value co-creation that the ISEKI Group aims to achieve together with our stakeholders.

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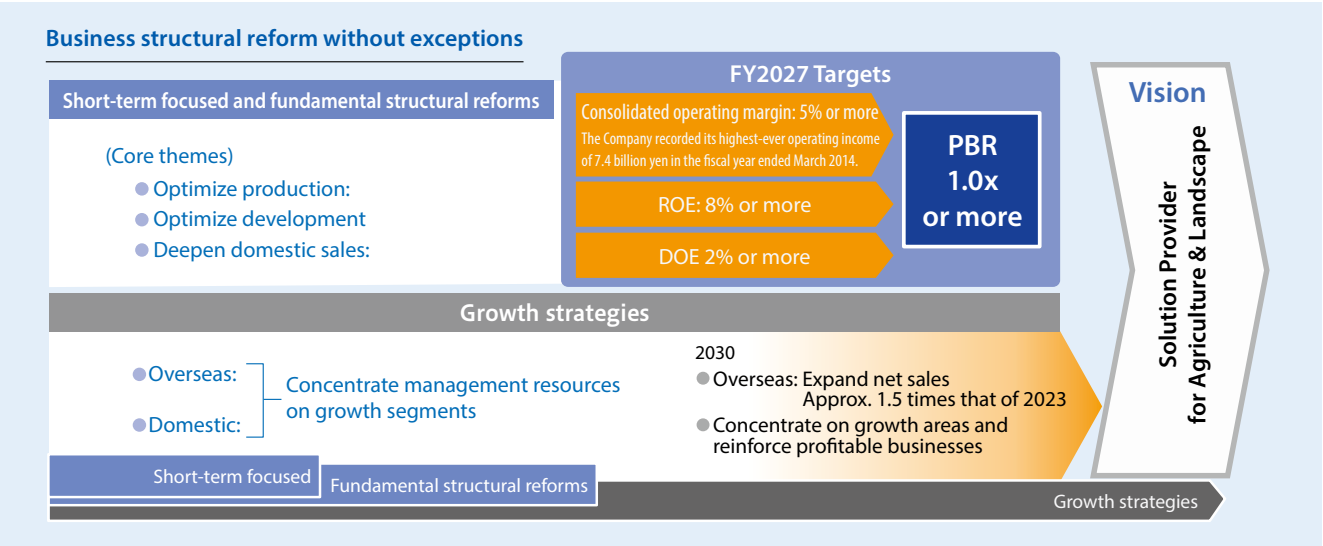
Progress of “Project Z”

Overview of Project Z Measures

With the aim of improving profitability and asset efficiency, which are issues for the Group, the Company announced “Project Z” measures in February 2024, and has been working to promote fundamental structural reforms and growth strategies.

We will promote structural reform with a focus on the three fundamental themes of “optimize production,” “optimize development,” and “deepen domestic sales” in a short-term focused fashion. In addition, with regard to our growth strategy, we will focus our management resources on domestic and overseas growth markets to expand our business.

With the implementation of these measures, our goals are to achieve an operating margin of 5% or more, ROE of 8% or more, dividend on equity (DOE) of 2% or more, and price book-value ratio (PBR) of at least 1.0x by 2027.



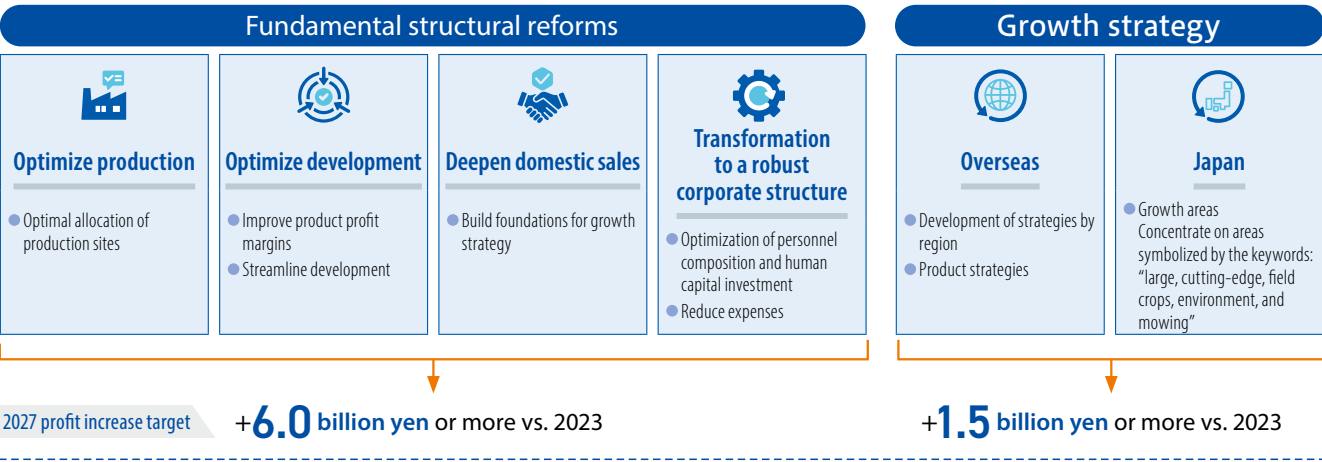
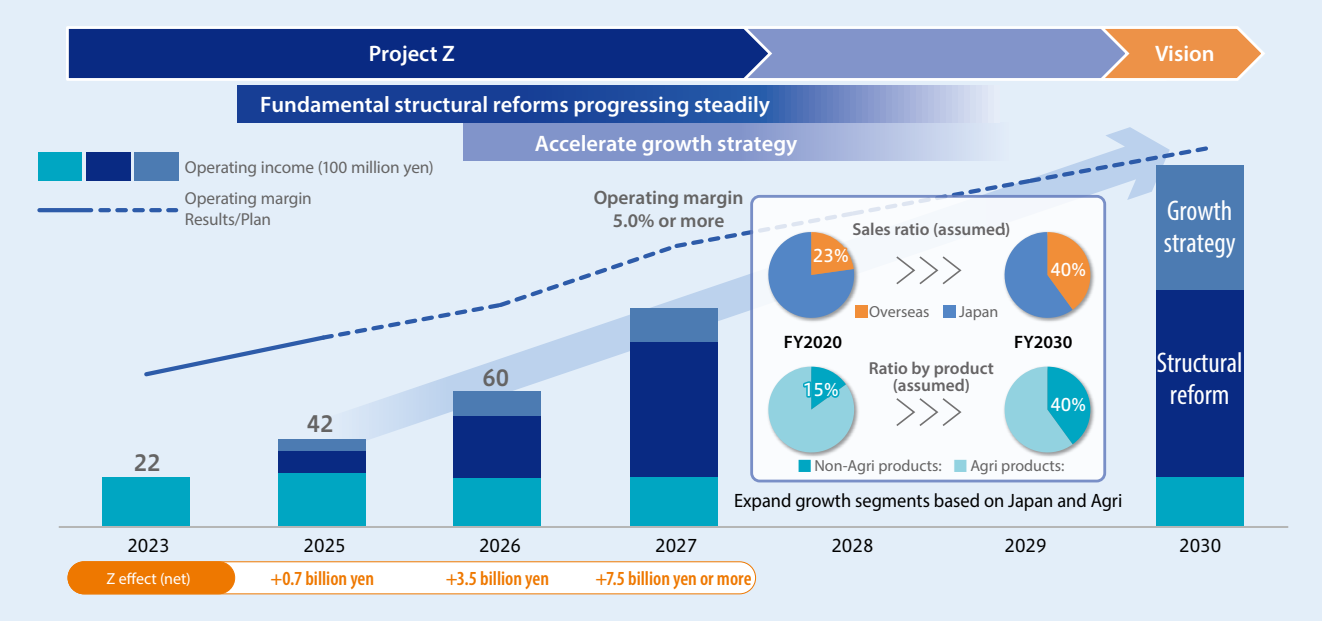
Project Z Measures and Status of Progress

The principal measures of the fundamental structural reforms implemented in a short-term concentrated manner are generally proceeding as planned.

As for our growth strategy, overseas, we have strengthened our development in highly profitable regions, mainly in Europe. In Japan, we have achieved results by concentrating management resources on growth fields.

These initiatives resulted in an increase in profit of 700 million yen in 2025, despite one-time costs associated with production base restructuring and other factors. We expect the effects of increased profits to gradually become apparent, and we expect them to be 3.5 billion yen in 2026 and over 7.5 billion yen in 2027 (both net of one-time costs).

We will continue to steadily implement structural reforms and accelerate our growth strategy to build stable earnings and a robust business foundation.



Specific initiatives to date

Fundamental structural reforms		
 Optimize production	- Executed site reorganization (transfer of production of combine harvesters and hydraulic equipment) as planned - Effects of operational reforms and fixed-cost reductions began to appear in 2026	 As planned
 Optimize development	- Effect of improvement in product profit margin achieved as planned for 2025. Make further improvements by reviewing targets and methods toward the 2027 Plan - Reducing the number of types and models as planned	 Partially delayed (recovery in progress)
 Deepen domestic sales	- Launch of ISEKI Japan, gradual realization of merger effects - Reduced inventories more than planned	 More than planned
 Transformation to a robust corporate structure	- Maintain the planned level of both personnel and personnel expenses - Introduced a personnel system that "evaluates challenges and results" - Continue to sort operations and implement specific measures	 As planned

Growth strategy			
 Overseas	Development of strategies by region	● Completed making UK sales agent a consolidated subsidiary ➡ Promoting the creation of synergies and innovation through collaboration among the three consolidated subsidiaries ➡ Further expansion of sales channels ● Expand the number of countries with which we do business, centered on IST (Thailand) Co.	 As planned
	Product strategies	● Expand Non-Agri products ● Accelerate product development in the ASEAN market ➡ Sales of TAFE products in India	

 Japan	Large Cutting-edge	- The sales ratio of large-sized machinery was over 40% in 2025 (Target: Increase the proportion of large-sized machinery to 50% or more by 2030) - Large-scale flagship brand "JAPAN" model change - Expand lineup of products equipped with advanced technologies	 As planned
	Field crops	- Introduce large-scale cultivation systems in various parts of Honshu - BtoB channel development	
	Environment	- Dissemination of technology for reducing fertilizers and agricultural chemicals - Support the development of organic rice production areas centered on Aigamo-Robo - Creation of carbon credits through a tie-up with Faeger Co. Ltd.	
	Mowing	- Full-fledged launch in Japan - BtoB (G) business development	

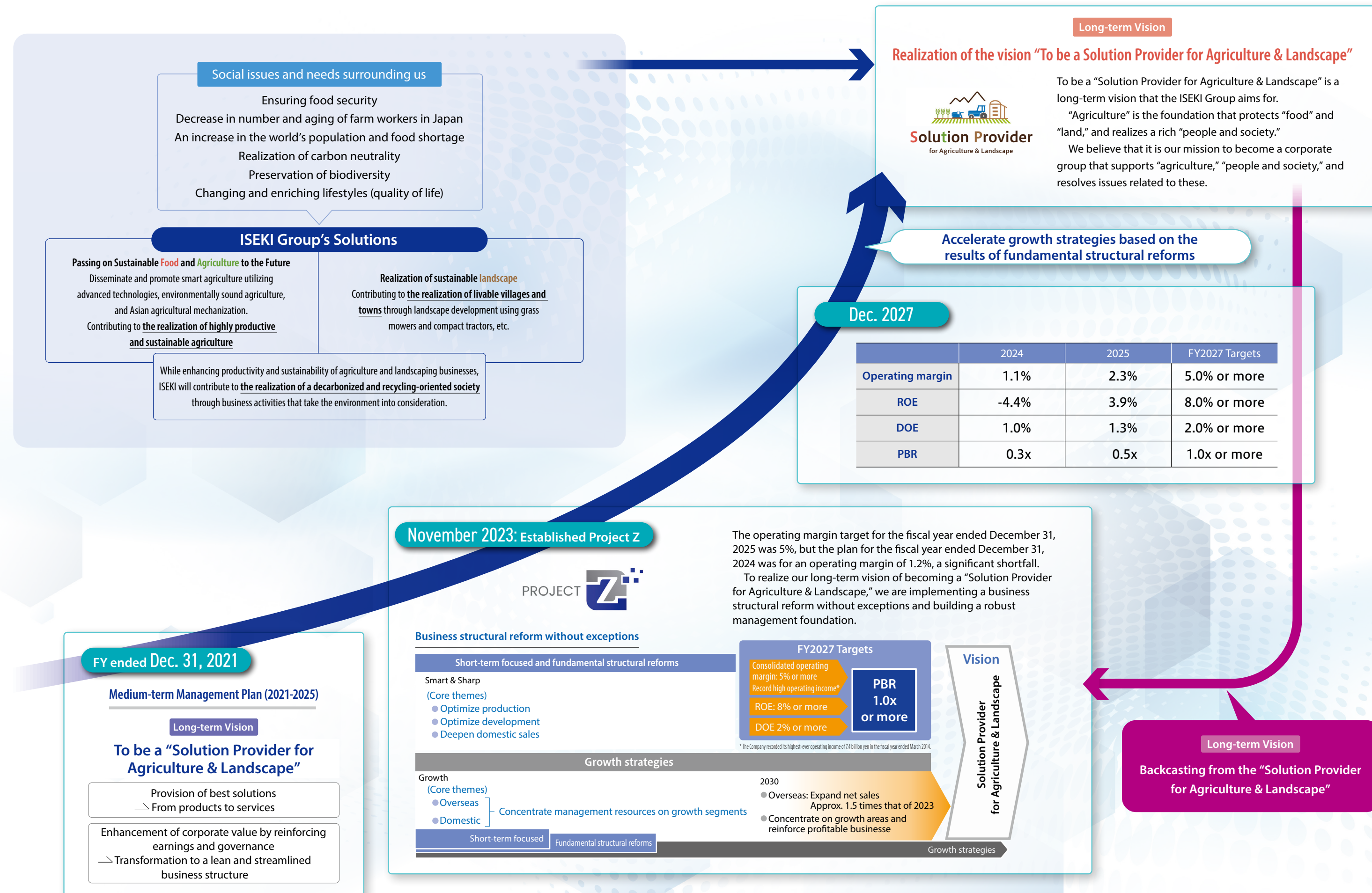
Please refer to our website for the latest information on Project Z.
<https://www.iseki.co.jp/ir/management/zplan/>



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ISEKI's Vision for the Future



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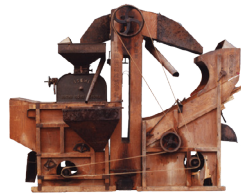
100 years of ISEKI & Co., Ltd.

The Iseki Group's "Past, Present, and Future"

ISEKI Group has continued to inherit the passion of our founder, "I want to free farmers from exhausting labor," and continued to generate value that contributes to the solution of social issues and to grow by "providing innovative products and higher quality of services to the customers." Now, in our 101st year since our foundation, we will support a farming industry full of dreams and beautiful landscapes toward the next 100 years, create a sustainable future of food, agriculture and land, and continue to take on new challenges.

Foundation:

- ... In 1926, Kunisaburo Iseki, the founder, established "Iseki Farm Implement Trading Co." in Matsuyama City, Ehime Prefecture, and began selling fully-automated rice hullers.



- ... In 1936, ISEKI & CO., LTD. was established. Our main products were rice hullers and barley hullers. From that time, we began using the name ISEKI for each product.



Issues and needs

- Post-war needs for a food production increase

Value

- Reduction in workload and improvement of productivity through automation of agriculture

1945-

- ... In 1965, we began production and sales of "TB20-model" tractors for full-scale operations in rice paddies. It was a product based on the Porsche tractor technology in terms of function, style, etc., and its performance was highly acclaimed following its successful ascent to the summit of Mt. Fuji.



1926 ● Iseki Farm Implement Trading Co. was established

1936 ● ISEKI & CO., LTD. was established

1946 ● Established Matsuyama Factory

1949 ● Established Kumamoto Factory

1958 ● Began establishing sales subsidiaries
Subsequently, established sales subsidiaries around Japan

1961 ● Established Niigata Factory

Listed its shares on the Tokyo Stock Exchange

1969 ● Renamed Tokyo Branch as Tokyo Headquarters

1971 ● Established N.V. ISEKI Europe S.A.S.
(currently ISEKI Europe GmbH) in Brussels

1972 ● Expanded Matsuyama Factory, relocated Head Office to Matsuyama

1977 ● Established Central Training Center (currently ISEKI Global Training Center) in Ibaraki Prefecture

Commenced exporting tractors (OEM) to North America

1990-

- ... In 1990, while labor hours in rice farming were saved thanks to advances in mechanization, mechanization needs for vegetable farming increased. We developed transplanters that automatically plant vegetable seedlings by applying the transplanting technologies of rice transplanters which were our strength.



- ... In 1971, we started production of "Sanae PF20." Subsequently, the Company's iconic character "Sanae chan" was born and has appeared at events.



1970-

- ... In 1967, we entered the European market and concluded an agency agreement with the French agent, Yvan Beal (currently ISEKI France). As a result of aggressive sales promotion activities, the number of exported machinery increased steadily.



Issues and needs

- A decrease in agricultural workforce after the high economic growth period
- Increased switchover to heavy industries
- Accelerated overseas business expansion of Japanese companies

Value

- Improved productivity through establishment of the integrated system for mechanizing rice farming
- Contribution to Japan's economic development through larger-sized and more diversified agricultural machinery

- ... In 1966, we developed "HD50-model Frontier," the world's first auto-threshing combine harvester suitable for rice farming in rice paddies. The combine harvester enabled the process from rice reaping to threshing to finish 16 times faster than the conventional method, greatly contributing to the improvement of agricultural productivity, and was selected as one of "the best 100 Innovations in post-war Japan" in 2014.



Issues and needs

- Accelerated decrease in number and aging of farm workers
- Improvement in food self-sufficiency rate
- Needs for a food production increase following world's population growth

Value

- Agricultural productivity improvement and landscaping through provision of agricultural machinery that is suitable for each region in Japan and overseas
- Provision of new agricultural value by supporting and offering proposals for farm business

- ... In 1993, the symbol mark for products was decided, symbolizing ISEKI's "I". The oval on the top represents "Goals," and the one on the bottom represents "People," and the "Global circle of hearts" that connects them is shown.



- ... In 1999, the Company developed a combine harvester equipped with our proprietary "Zoom Auger" discharge mechanism, which was patented.



2010-

- ... In 2013, we participated in the "NOGYOJOSHI (female farmers)" Project by the Ministry of Agriculture, Forestry and Fisheries. More than 1,000 female farmers participated in the "YUMEARU NOGYOJOSHI (female farmers) OEN" Project over a period of 10 years. We support active participation of female farmers, who account for approximately 40% of core farm workers, and contribute to the development of agriculture and the revitalization of regional economies. At present, the "Sanae Club (ISEKI Agrinno Ladies)" a promotion team consisting of female volunteers within the Company, has been established and is active.



Issues and needs

- Strengthen responses to food security
- Productivity improvement associated with increased large-scale farming and adding value to farm produce
- Need to respond to natural disasters and climate change
- Increased environmental responses and contribution to realization of decarbonized society

Value

- Agricultural productivity improvement through laborsaving, unmanned equipment, and data utilization
- Reduction in CO₂ emissions through promotion of environmentally sound agriculture, electrification, etc.

2001 ● Separated the Production Section from the company and established ISEKI-Matsuyama MFG. Co., Ltd. and ISEKI-Kumamoto MFG. Co., Ltd.

2003 ● Established Iseki-Changzhou Mfg. Co., Ltd. in Jiangsu Province, China

2011 ● Established Dongfeng Iseki Agricultural Machinery (Hubei) Co., Ltd. in Hubei Province, China

2012 ● Established PT. ISEKI INDONESIA

2013 ● Established ISEKI SALES (THAILAND) CO., Ltd. (current IST Farm Machinery CO., Ltd.)

2014 ● Integrated the businesses of Iseki-Changzhou Mfg. Co., Ltd. and Dongfeng Iseki Agricultural Machinery (Hubei) Co., Ltd. and established Dongfeng Iseki Agricultural Machinery Co., Ltd.

2014 ● Acquired French sales agents Yvan Beal S.A.S. and YB Holding S.A.S. (current ISEKI France S.A.S.) and made them subsidiaries

2015 ● Established Dream Agricultural Research Institute

2020 ● Made Thai distributor IST Farm Machinery Co., Ltd. a consolidated subsidiary

"Toward the next 100 years..."

Realization of the vision

"To be a Solution Provider for Agriculture & Landscape"

Passing on Sustainable Food and Agriculture to the Future

In order to pass on "safe and reliable food" to the future, ISEKI will continue to contribute to the realization of highly productive and sustainable agriculture, including "Smart agriculture utilizing advanced technologies," "Dissemination and promotion of environmentally sound agriculture," and "Mechanization of agriculture in Asian and other countries."



Realization of sustainable landscape

Mowers, compact tractors, and other equipment for the European and North American markets are used to improve the landscape, thereby contributing to the creation of livable villages and towns and the improvement of people's quality of life. We will continue to provide products and services that satisfy our customers.



Realization of a society that is friendly to the environment and people

Agriculture, which supports food supply, and the landscaping business, which supports people's daily lives, are becoming increasingly important as essential businesses. Contribute to the realization of a decarbonized and recycling-oriented society through business activities that take the environment into consideration.



- ... In 2022, consolidated overseas net sales exceeded 50.0 billion yen, and the ratio of overseas net sales was over 30%. In Europe, which drove growth, we are working on further growth such as beginning sales of electric riding mowers.



2020-

- ... In 2018, the Company commercialized the "TJV Series," the Company's first robot tractor capable of automatic travel. The system enables unmanned operations under manned surveillance and two vehicle operations with a tractor driven by an operator, contributing to labor-saving and improved productivity in agriculture.



- ... In 2016, the Company launched the "NP Series" (soil sensor-equipped variable fertilizer rice transplanter), which combines measures against the lodging of rice plants, an issue at agricultural sites, with fertilizer cost reduction. As the industry's first smart rice transplanter that automatically adjusts the amount of fertilizer applied according to the soil conditions at the time of rice planting, the combination of variable fertilization technology and side row fertilization led to a reduction in the amount of fertilizer used of approximately 30%.



2022 ● Made Germany distributor Iseki-Maschinen GmbH a consolidated subsidiary

2024 ● Incorporated ISEKI-Kumamoto MFG. Co., Ltd. into ISEKI-Matsuyama MFG. Co., Ltd. and established ISEKI M&D Co., Ltd.

2025 ● Merged six wide-area sales companies in Japan and Mie ISEKI Sales Co., Ltd. and established ISEKI Japan Co., Ltd.

2025 ● Made U.K. distributor PREMIUM TURF-CARE LIMITED (currently ISEKI UK & Ireland Limited) a consolidated subsidiary

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ISEKI at a glance

● At a glance

Foundation:



August 1926

With a passion, "I want to free farmers from exhausting labor," Kunisaburo Iseki, the founder, established "Iseki Farm Implement Trading Co." in Matsuyama City, Ehime Prefecture.

Consolidated net sales



185.7 billion yen

Net sales for the fiscal year ended December 31, 2025 was 185.7 billion yen, a record high.

Group companies



14

Our associated companies include 14 consolidated subsidiaries in Japan and overseas: 3 domestic sales subsidiaries, 4 overseas sales subsidiaries, 5 production-related companies, and 2 other companies. * As of May 31, 2026

Overseas net sales (%)



30.3%

We are focusing on overseas business as a growth strategy. Aiming for an overseas net sales ratio of 40% or more by 2030, we have been working to expand awareness for our brand.

Number of employees (consolidated):



5,199

As of the end of 2025, 1,541 employees in development and manufacturing departments, 3,331 in sales departments, and 327 in other divisions.

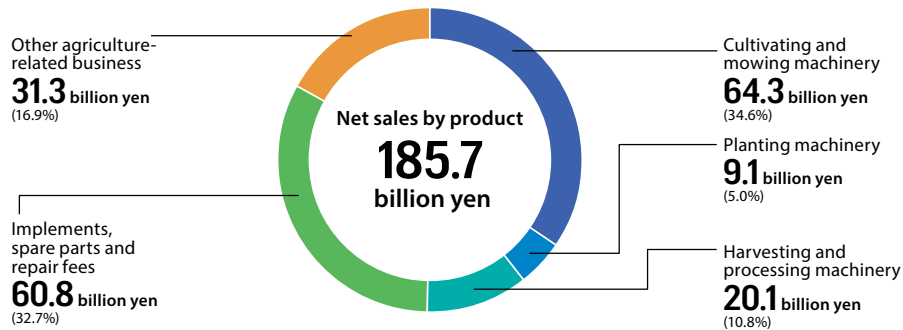
Intellectual properties / Number of patent application registrations per specialty field



No. 2

We have ranked highly since 2000 with regard to the numbers of laid-open applications and patent application registrations per specialty field in Japan. In 2024, we ranked second in the number of patent application registrations in the category of "other special machinery."

● Net sales by product



● Overview of products and services

Cultivating and mowing machinery



Main products

Tractors, riding mowers, tillers, multipurpose vehicles, high-clearance multipurpose vehicles

Main sales region

Japan and Asia (Agri)
Europe and North America (Non-Agri)

Planting machinery



Main products

Rice transplanters, vegetable transplanters

Main sales region

Japan and Asia (Agri)

Harvesting and processing machinery



Main products

Combine harvesters, binders, rice hullers, measuring and sorting machinery

Main sales region

Japan and Asia (Agri)

Implements, spare parts and repair fees



Main products

Parts for repairing products of Japanese and foreign implements manufacturers, etc., repair, maintenance

Main sales region

Japan, Asia, Europe, and North America

Other agriculture-related business



Main products

Facility construction, agricultural materials, coin rice milling business, rice cooking business, and other purchased goods

Main sales region

Japan, Europe

● We conduct business globally with priority on "Japan," "Europe," "North America," and "Asia."

Net sales by region

Region	Net sales (billion yen)	Percentage (%)
Japan	129.4	69.7%
Europe	38.5	20.7%
North America	10.4	5.6%
Asia	6.9	3.8%
Other	0.3	0.2%
Total	185.7	100%

Number of employees by region

Region	Number of employees	Percentage (%)
Japan	4,647	89.4%
Europe	383	7.3%
North America	169	3.3%
Asia	169	3.3%
Total	5,199	100%

Japan

Through sales subsidiaries, we sell agricultural machinery and provide services, as well as offer farm business proposals and support to realize highly profitable agriculture.



Collaborative operation using robot tractors

Europe

Since we started business in 1960s, the sales area has expanded to cover the entire Europe. We mainly sell landscaping machinery in this market where we have a significant presence.



Riding mower used for landscaping

North America

Through our business partnership with AGCO Corporation, a major global manufacturer of agricultural machinery, we supply its Massey Ferguson-brand products on an OEM basis.



Tractors used for snow removal

Asia

In each of the ASEAN, East Asian (South Korea and Taiwan), and Chinese markets, we offer agricultural machinery using technology and know-how nurtured through our business in Japan.



Tractors used in Thailand

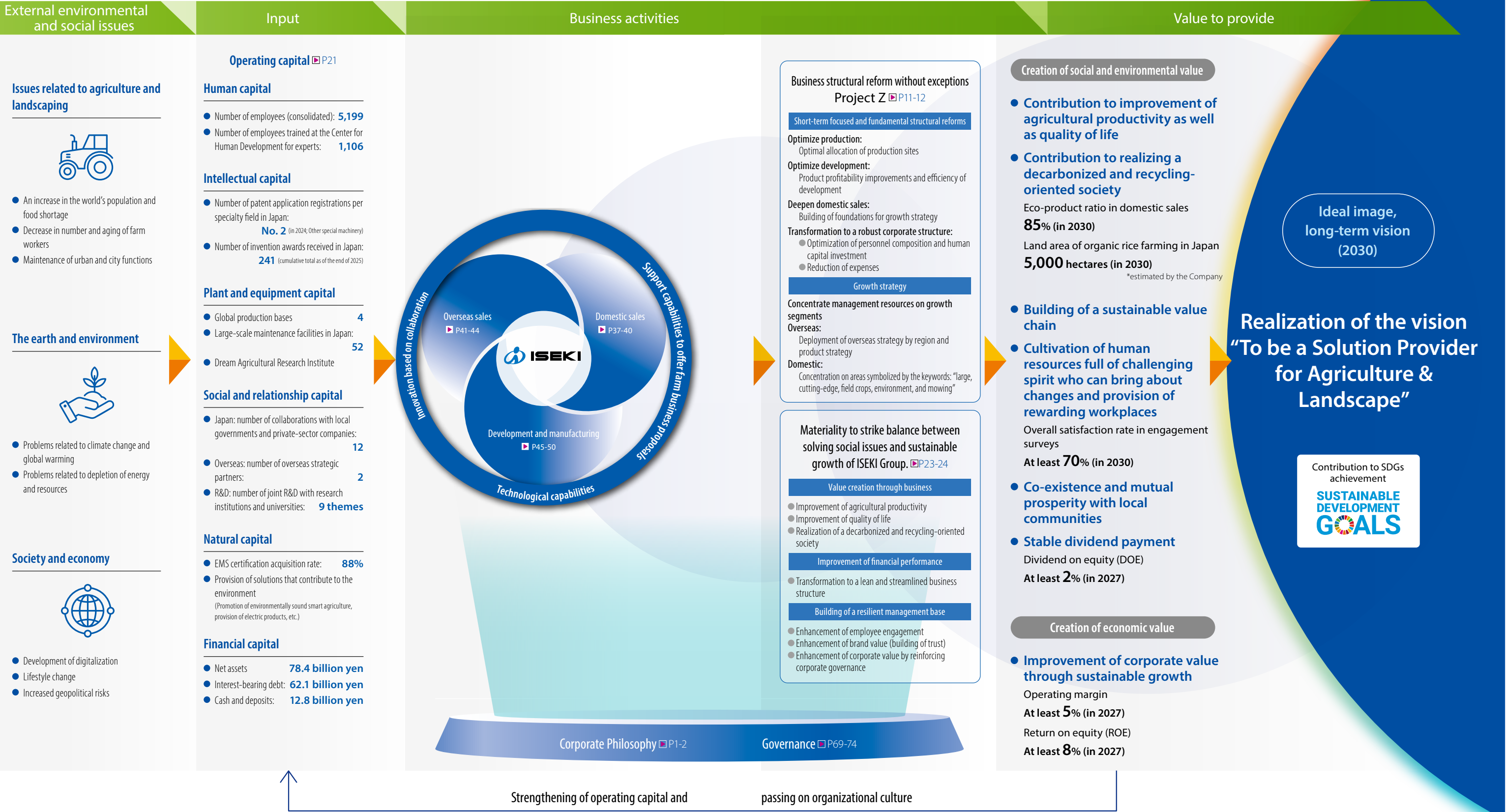
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Value creation process

ISEKI Group engages in business activities that are founded on its corporate philosophy and governance and that leverage the operating capital accumulated so far as well as its unique strengths. In doing so, we provide products and services that meet a variety of needs, thereby creating social and economic value. By addressing social issues and reflecting them in our business activities, and continuing this cycle of value creation, we strive to contribute to solving social issues, while achieving sustainable growth and enhancing corporate value of the Group.



ISEKI Group's management capital

The six types of capital we have accumulated since our founding are important management capital that support the ISEKI Group's business activities. Our aim is to constantly raise corporate value while optimally using capital in areas of growth.

Human capital



Number of employees (consolidated):
5,199

Number of employees trained at the Center for Human Development for experts:
1,106

Diverse human resources who resolve issues and realize growth

Strength: Passion of founder inherited by employees
Expert personnel in development, production, and sales and services (farm business technologies)
Issue: Improvement in productivity per personnel, enhancement of employee engagement, promotion of DE&I, secure diverse human resources

Capital enhancement measures

Transform human resources portfolio (allocation of human resources to growth areas through optimal allocation)
Reform personnel system based on well-being surveys, utilization of multimodal recruitment systems, and enhancement of education programs

Please refer to pages 31-36 for the progress.

Plant and equipment capital



Global production bases
4

Large-scale maintenance facilities in Japan:
52

Dream Agricultural Research Institute

Bases for high-quality manufacturing and high added value

Strength: Manufacturing bases with integrated production system from parts
Enhancement of large-scale maintenance facilities
Issue: Optimal allocation of production sites
Rationalization of low-operating assets

Capital enhancement measures

Reorganize production bases through Project Z
Improve asset efficiency by making investment decisions based on hurdle rates

Please refer to pages 25-28 and 45-50 for the progress.

Natural capital



EMS certification acquisition rate:
88%

Provision of solutions that contribute to the environment
(Promotion of environmentally sound smart agriculture, provision of electric products, etc.)

Business activities in harmony with the global environment

Strength: Provision of solutions that contribute to the environment (development of eco-products and proposals for environmentally sound smart agriculture)
Reduce environmental burden at production bases
Issue: Strengthening of response to climate change and biodiversity

Capital enhancement measures

Develop and provide environmentally friendly products and services
Promote environmental management, including reduction of environmental burden of business activities
Accelerate research and dissemination of farm business technologies with environmental conformance

Please refer to pages 59-64 for the progress.

Technological capability and intellectual property that generate new value

Strength: Proprietary core technologies that monopolize the market, research and development through collaboration with private-sector companies, industry, government, and academia

Issue: Response to advanced technologies and utilization of intellectual property

Capital enhancement measures

Actively recruit DX and digital talents, and promote reskilling through enhancement of education system and award scheme
Promote research and development through open innovations

Please refer to pages 31-36 and 45-50 for the progress.

Intellectual capital



Number of patent application registrations per specialty field in Japan:
No. 2
(In 2024; Other special machinery)

Number of invention awards received in Japan:
241
(Cumulative total as of the end of 2025)

Network to drive innovation forward

Strength: Collaboration with private-sector companies, industry, government, and academia
Building a framework for collaboration with partner companies in Japan and overseas

Issue: Further collaboration centered on cutting-edge fields
Strengthening of dialogue with stakeholders
Proactive provision of information

Capital enhancement measures

Actively utilize open innovation
Enhance IR activities and further utilize website, social media, etc.

Please refer to pages 37-50 and 57-58 for the progress.

Social and relationship capital



Japan: number of collaborations with local governments and private-sector companies:
12

Overseas: number of overseas strategic partners:
2
R&D: number of joint R&D with research institutions and universities:
9 themes

Source of sustainable business activities and growth investments

Strength: Credibility built up through dialogue with stakeholders

Issue: Improvement of low profitability
Enhancement of asset efficiency (reduction of inventory and rationalization of low-operating assets)

Capital enhancement measures

Implement structural reform and growth strategies through Project Z

Please refer to pages 25-28 for the progress.

Financial capital



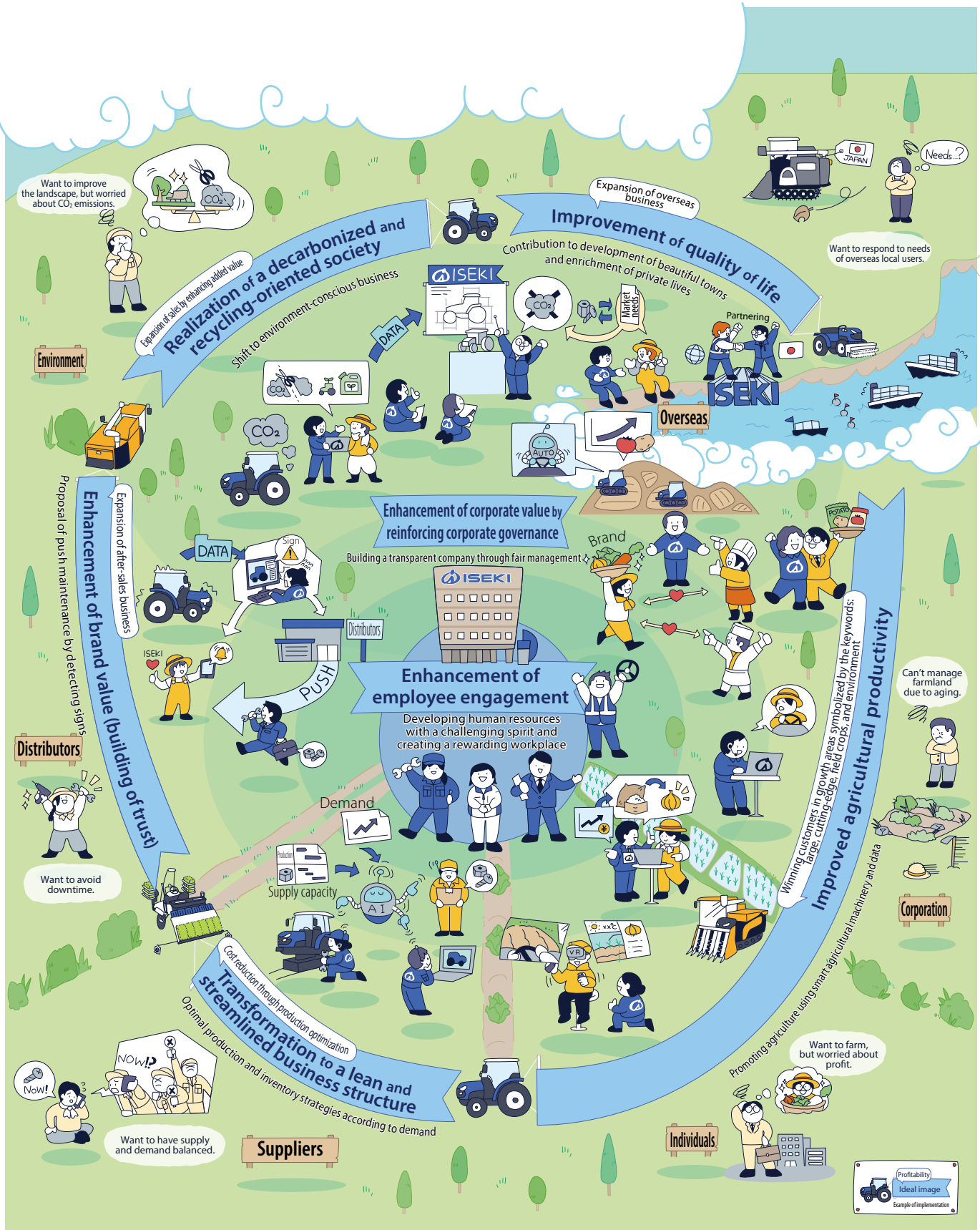
Net assets
78.4 billion yen

Interest-bearing debt:
62.1 billion yen

Cash and deposits:
12.8 billion yen

Map of ISEKI's contributions to the future

As a solution provider for agriculture and landscape, we will support a farming industry full of dreams and beautiful landscapes and create a future of sustainable agriculture and landscape.



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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 Competition with other companies, changes in economic conditions and the environment of agriculture Climate change, reduction of environmental burden, natural disasters, infectious diseases, etc. Lagging behind Chinese and other competitors in the European and U.S. electric product markets	New demand and needs Generation of business and creation of new value through innovation Increased demand for electric products Dissemination of electric products in the landscaping business and personal hobby market	Consolidated net sales Net sales of ISEKI products Productivity per person: 20% increase from 2023 levels (2027) Optimization of personnel	Productivity per person (each business division)		P37-50
		Reduce types and models by 30% or more (2030) 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 Develop measures to ensure the stability of food supplies Dissemination of smart agriculture (data-driven and environmentally sound agriculture) Partnerships with entities in other industries through DX	Over 50% of ISEKI's product sales accounted for by large-sized machinery (2030) 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 Spread of smart agriculture in East Asia and other regions (Data-driven and environmental conservation agriculture) Expansion of price competitive products manufactured by TAFE into the ASEAN market	Overseas net sales: 80.0 billion yen or more (2030) 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 Chinese and other manufacturers leading the competition of electrification	New demand for electric products, etc. 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) 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 Increase in costs due to introduction of carbon tax and rising energy prices Tightening of environment-related regulations and standards Decline in demand due to changing market needs Decline in competitiveness due to delays in responding to GHG emission reduction solutions Reputational risks	Cost reduction through the introduction of facilities with high environmental efficiency Minimization of resource consumption Production activities with low environmental burden by curbing waste generation Increase in demand for products and services that accommodate changes in the agricultural environment Improvement of the image of agriculture and the Company • Conservation of energy and labor • Reduction of GHG emissions • Reduction of fertilizer and agrochemicals • Expansion of organic farming, etc.	— —	Reduction rate of group-wide CO ₂ emissions (compared with 2014): 46% (in 2030) Results as of December 31, 2025: 39.2% Reduction rate of final volume of waste (compared with 2013): 71% (in 2030) Results as of December 31, 2025: 63.8% Eco-product sales in Japan (%): 85% (in 2030) Results as of December 31, 2025: 55.3% Domestic land area organically farmed (rice): 5,000 hectares (in 2030) Results as of December 31, 2025: 487.8 hectares *estimated by the Company		P59-64	
	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 Stock market trends, price decline in land and other fixed assets Exchange rate fluctuations 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 Improvement of management efficiency and sophistication of business management Capital investment in line with growth strategies, diversification of procurement methods	Product gross profit margin Inventory turnover ratio: 2.4x or more (2027) —	Product variable costs: Reduced by 10% or more (2027) Results as of December 31, 2025: The effect of product profit margin improvement materialized as planned Inventory turnover ratio (each business division) D/E ratio: 0.7x (in 2030) Results as of December 31, 2025: 0.79x Selling, general and administrative expenses ratio: 2.5% to 3.0% improvement from 2023 (2027) Production optimization investment: 38.0 billion yen (in 2030) 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 Maximize each individual's abilities and develop human resources with a spirit of challenge to bring about change Provide employees with secure and safe workplaces, and create rewarding workplaces			Shortage of labor power, outflow of human resources Rigid organization and culture due to homogeneity and bias of human resources An impact of property and personal damage on our business Reputational risk and damages due to industrial accidents 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 Improvement of motivation and productivity 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) Results as of December 31, 2025: 5.0% Foreign nationals in managerial positions: to be increased from the current level (in 2030) Results as of December 31, 2025: 0 Ratio of mid-career hires in managerial positions: at least 7% (in 2030) Results as of December 31, 2025: 10.4% Overall satisfaction rate in engagement surveys: at least 70% (in 2030) Results as of December 31, 2025: 52.3%		P31-36
		Enhancement of brand value (building of trust)			Serious defects in products and services Dependence on specific suppliers, soaring raw material prices, difficulty in procurement, and supply chain disruptions Reputational risk	Capturing customers and fans with secure, safe, and cost-effective products and services Building trust with suppliers Stabilization of business through a sense of presence in the region, enhancement of brand value, and co-existence		—	Strengthen relationships with local communities Seminars and exhibition tours: 6 times in total (2026) Results as of December 31, 2025: 6 times Enhancement of customer satisfaction Degree of satisfaction with each survey item: (Scheduled to conduct customer satisfaction survey in 2026) Suppliers' CSR questionnaire response rate: 100% (in 2030) Results as of December 31, 2025: 89% Suppliers' green procurement rate: at least 85% (in 2026) Results as of December 31, 2025: 82%	
	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 • Risk of legal violation • Risks related to information security • Risks derived from international business activities, and others	Stabilization of business activities Transformation through prompt management decision and appropriate risk taking	—	Establishment of the Group's three-line system Results as of December 31, 2025: Establishment completed (Continue to promote strengthening of the Group's three-line system) Number of material legal violations and scandals occurred: zero occurrence 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) Material information security incident: zero occurrence Results as of December 31, 2025: zero		P69-74, P77-80
		Strive to disclose necessary information promptly and accurately, and create a transparent company			Impact of stock price slump	Promotion of awareness and understanding through information disclosure Establishment of trust through constructive dialogue		Number of dialogues held with shareholders and investors: at least 100 times/year (in 2027) Results as of December 31, 2025: 86 times 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.

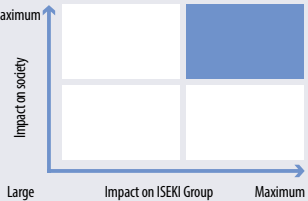
Identification of issues

- Issues were identified based on social issues and various guidelines (ISO26000, GRI, SDGs, etc.).
- Issues were identified by identifying risks and opportunities through SWOT analysis.
- The process identified issues to be addressed as a priority for the creation of social and economic value through business activities and issues to be addressed from the perspective of risks and opportunities in business activities, such as environmental changes, impediments to business activities, and burden on the global environment.



Evaluation of materiality

- Evaluate the importance of the issues identified from the perspective of impact on society and impact on ISEKI Group.



Evaluation of reasonableness

- Issues and the reasonableness of the results of the evaluation of importance are discussed at the ESG Committee and reviewed by external sustainability expert organizations.

Identification of materiality

- The materiality to be addressed by ISEKI Group are identified through deliberation and decisions at the ESG Committee and the Board of Directors.
- The ESG Committee and the Materiality Working Group deliberate once a year whether or not a review of materiality is necessary.

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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.

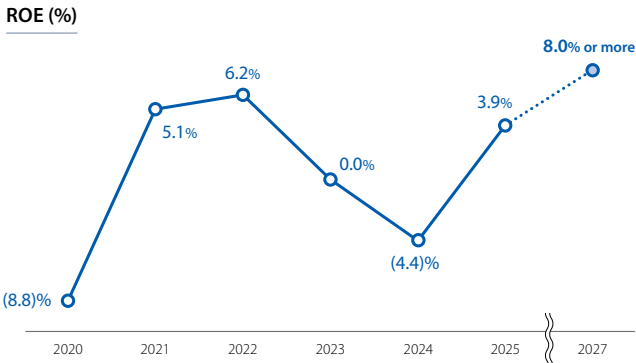
Initiatives to improve capital efficiency through Project Z

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

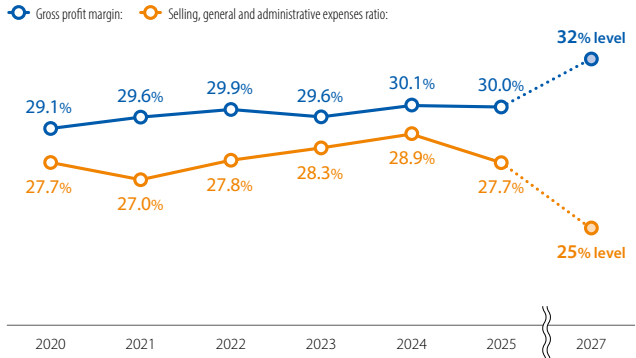
With the aim of improving profitability, we will focus on projects that make a significant contribution to earnings by identifying the profitability and growth potential of each business based on the management decision of "concentrating management resources on priority areas."

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 (%)

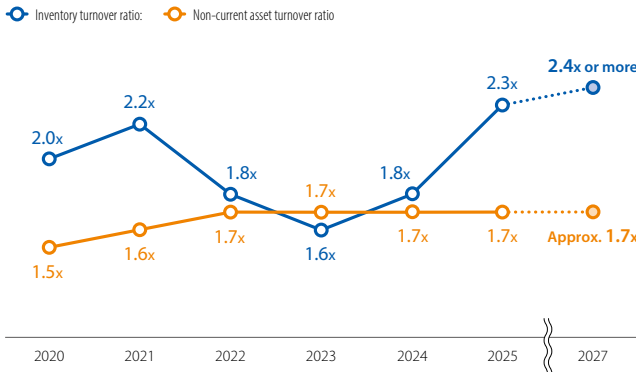


Enhancement of asset efficiency

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)



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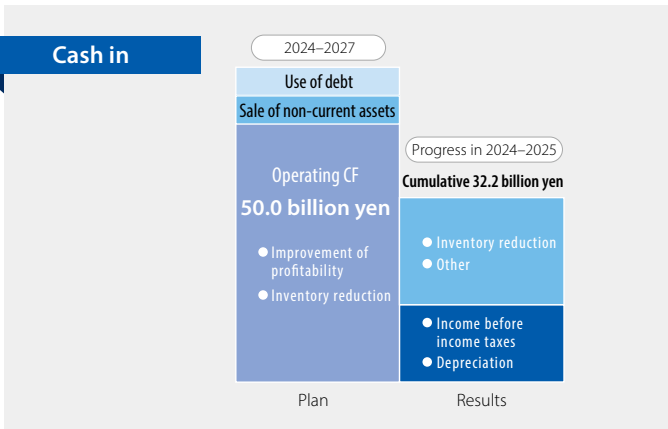
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Financial and capital strategies

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

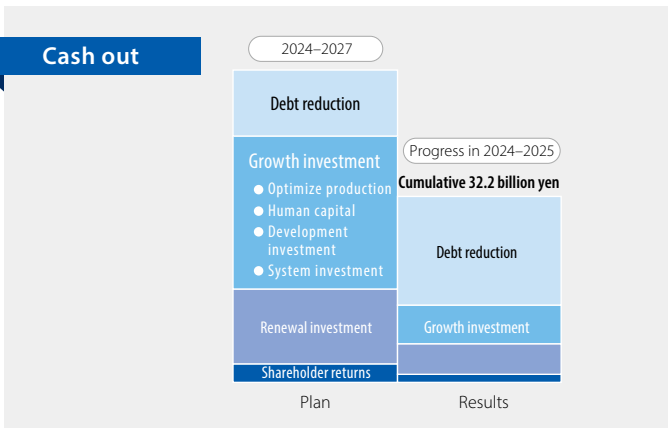
Under “production optimization” in Project Z, we are consolidating production bases with the aim of building a stable business foundation through improving production efficiency and reducing fixed costs. We plan to invest a total of 38.0 billion yen from 2024 to 2030, and have completed the transfer 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

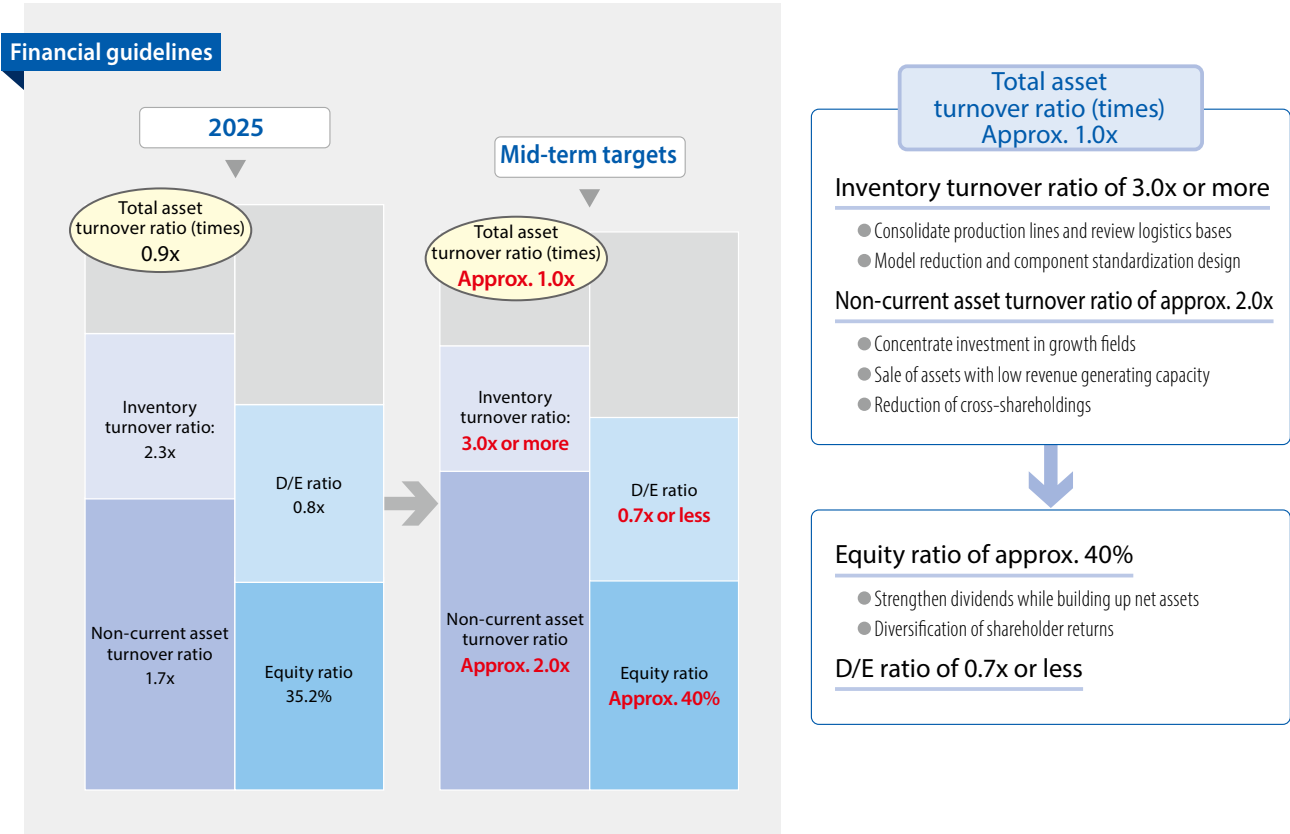
ISEKI Group recognizes low profitability and imbalances in the financial structure as important management issues. The completion of the Project Z initiatives is a prerequisite for realizing sustainable growth, and is an initiative aimed at rebuilding our management foundation in view of the new 100 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.

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Management foundation to support sustainable growth

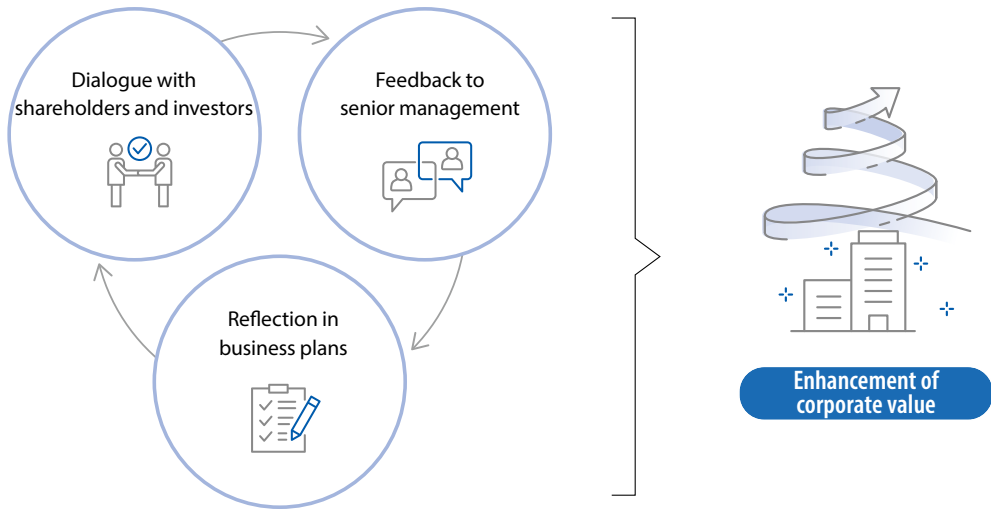
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Dialogue with shareholders and investors

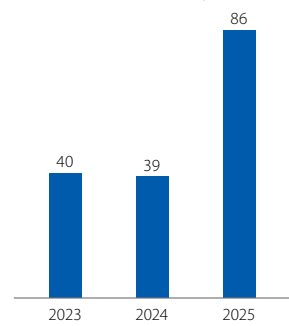
Basic Policy (Fundamental concept)

- 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.

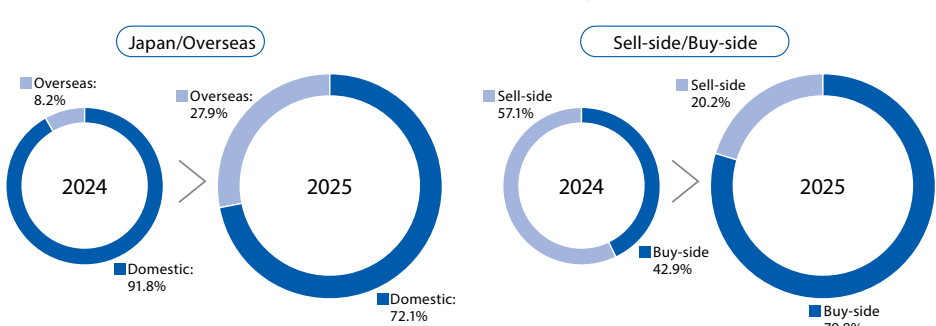


Status of dialogue with stakeholders (FY2025)

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 ● Demand trends in businesses ● Project Z Measures and their progress status ● Management conscious of capital cost and capital efficiency ● Management system for business portfolio	ESG-related matters	● Status of response to climate change ● Status of initiatives related to human capital ● Officer compensation system
		Share price and shareholder return	● Issues and responses related to share price and PBR ● 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 ● 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 (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 Opinions, requests, etc. from shareholders and investors Indicators related to shares and share price information 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 ● Participation in events for individual investors and holding business briefings (online)

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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.

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.

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.

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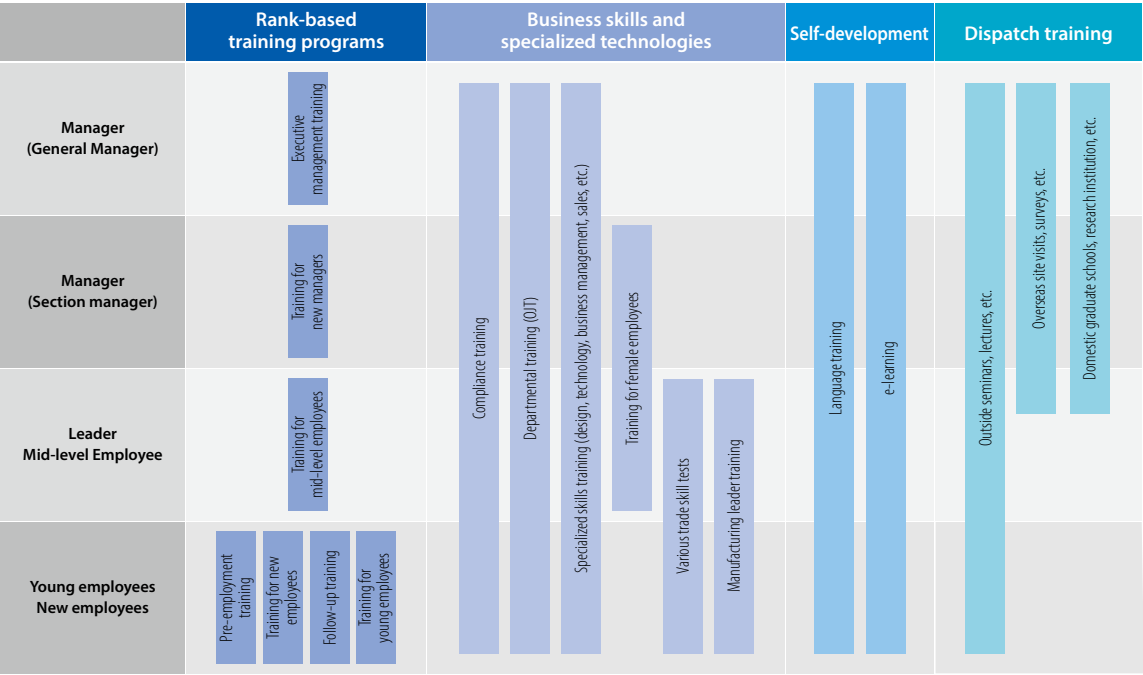
Human resource strategies

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

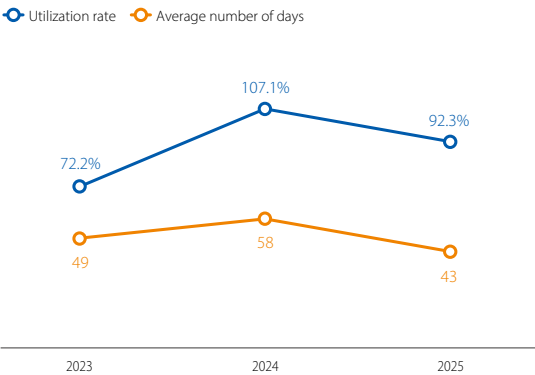
ISEKI Group is promoting various measures and improving the environment for employees to allow them to adopt diverse workstyles that suit their stages of life.

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

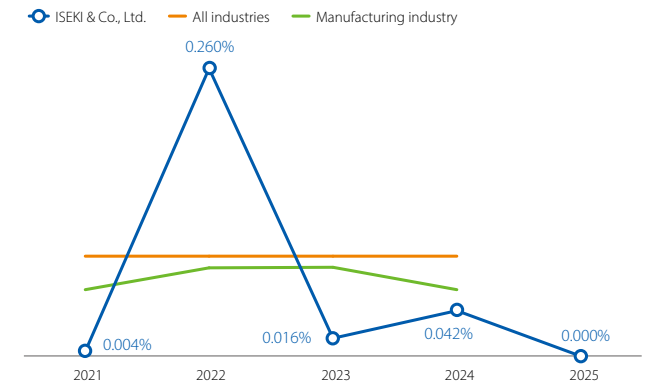
Provision of safety education

- 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.



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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**

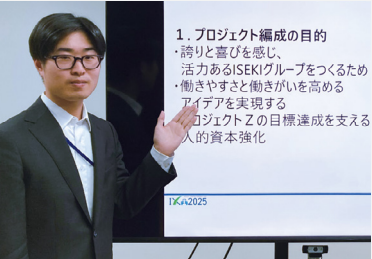
Well-being Promotion Activity member Ryo Umemura, Public & Investor Relations Section, ISEKI & Co., Ltd.

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の目標達成を変える

人的資本強化

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."

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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

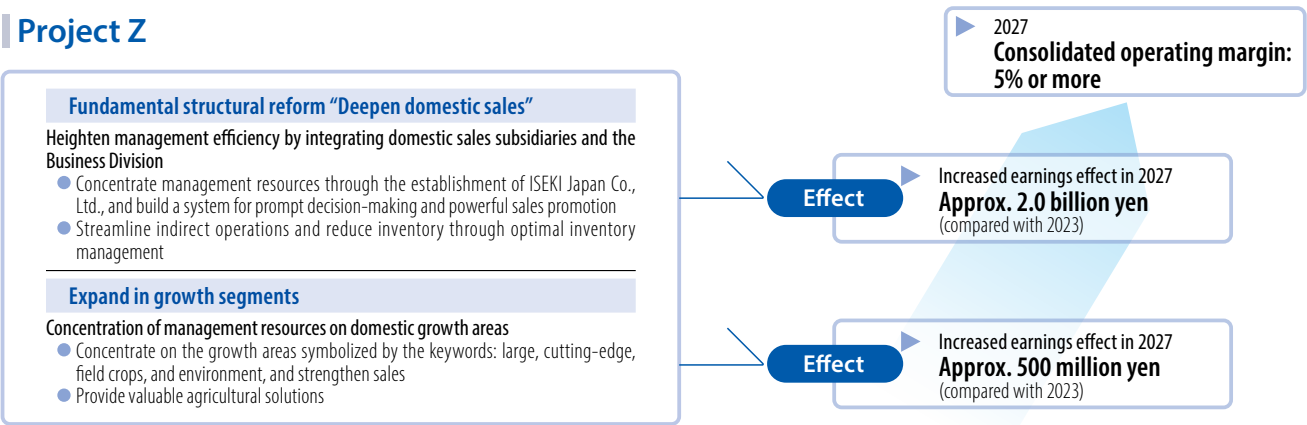
Noriaki Ishimoto
Corporate Officer, General
Division Manager, Business Division



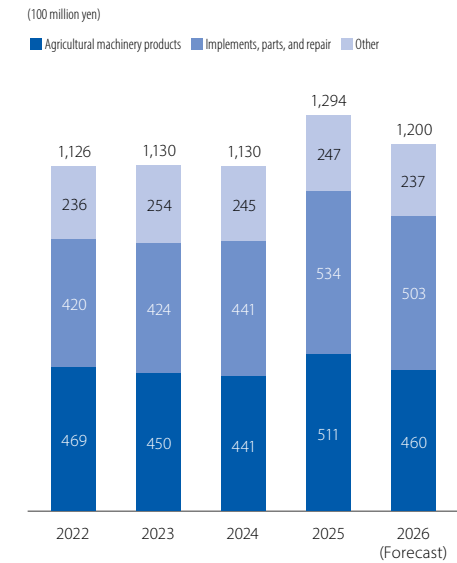
The year 2025 was a major turning point in the domestic sales structure. We integrated the management of seven domestic sales companies and the Sales Headquarters, established ISEKI Japan Co., Ltd., and embarked on a major reform of the sales structure.

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.

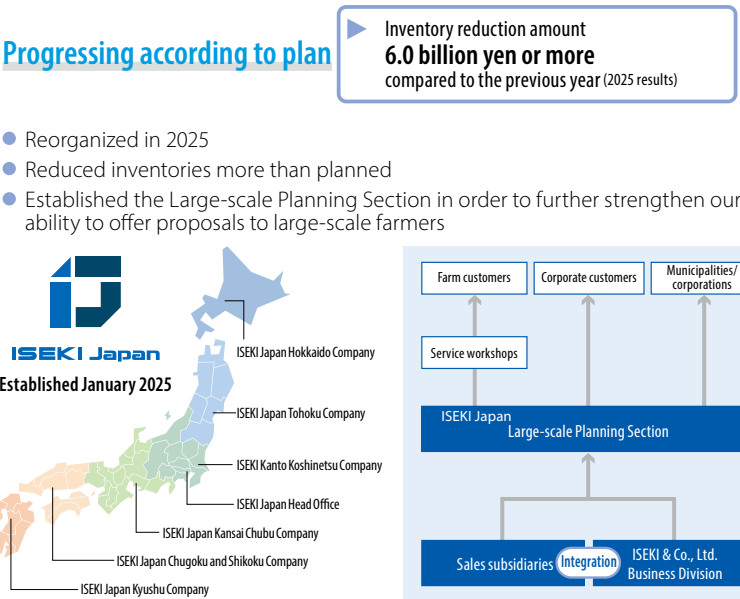
Project Z



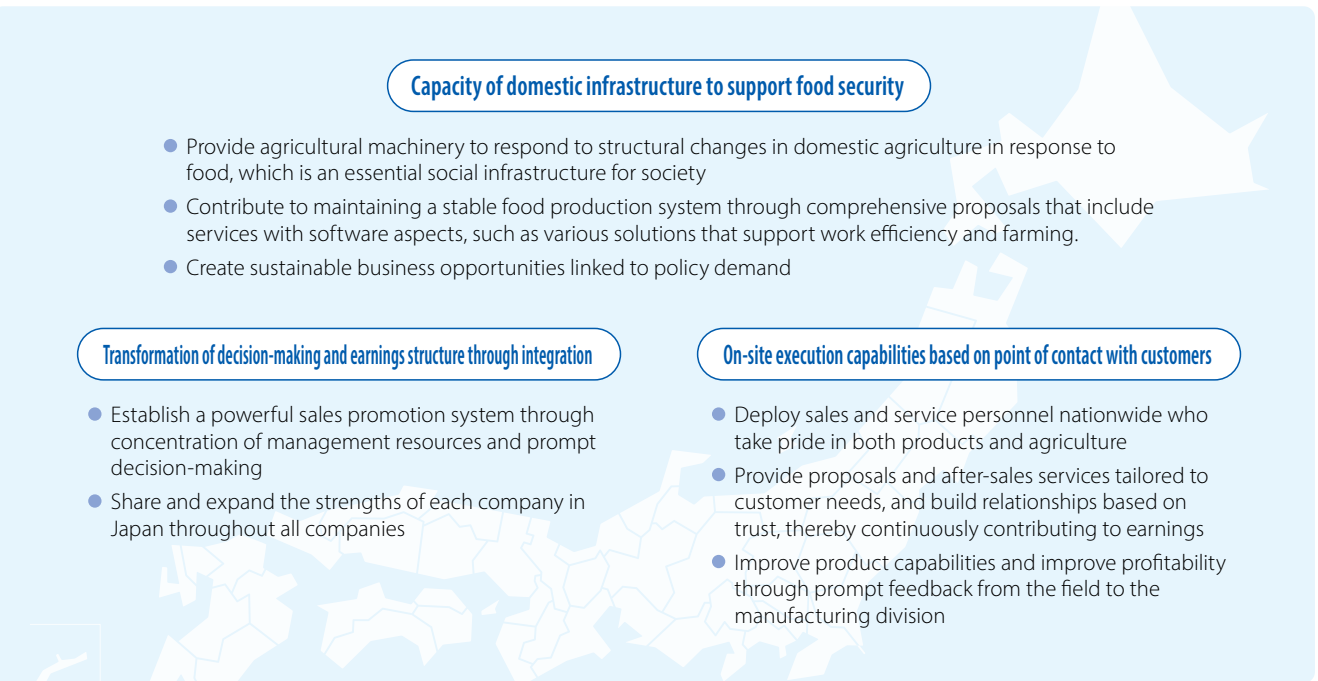
Domestic net sales trends



Current status of Project Z



ISEKI Group’s strengths

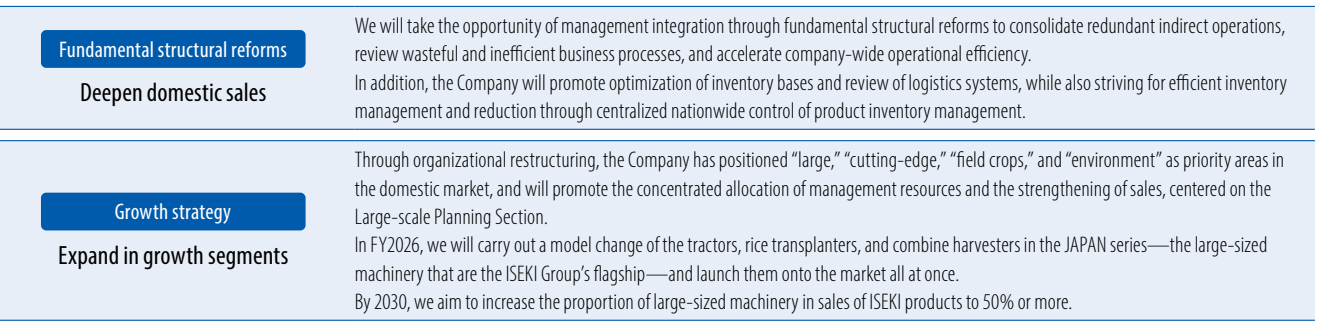


Market environment outlook



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)



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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

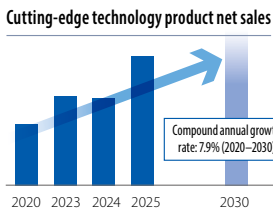
Increase sales of large-sized machinery

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.



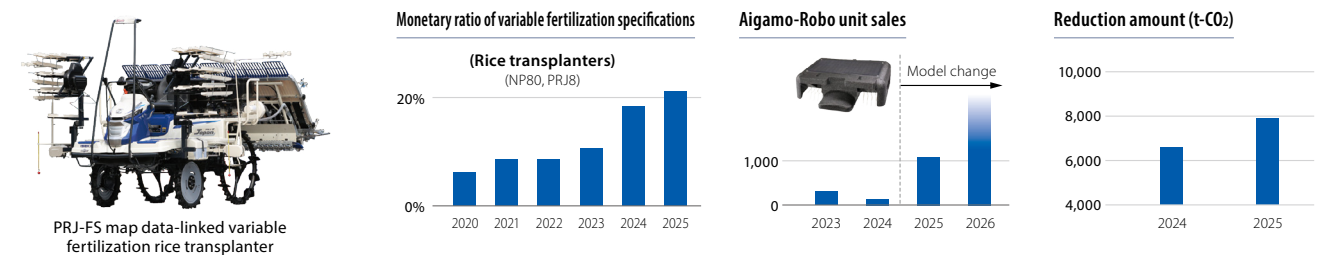
Capture the field crop market

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

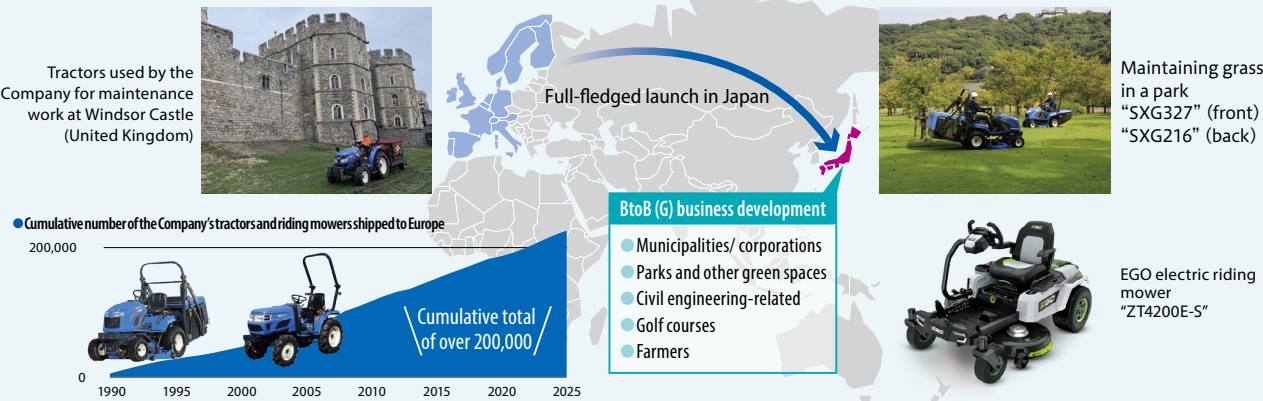
The “Strategy for Sustainable Food Systems, MIDORI” formulated by the Ministry of Agriculture, Forestry and Fisheries in 2021 sets the targets of expanding areas of organic agricultural to 25% of total cultivated land and reducing greenhouse gas emissions from agriculture, forestry, and fisheries to 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.



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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

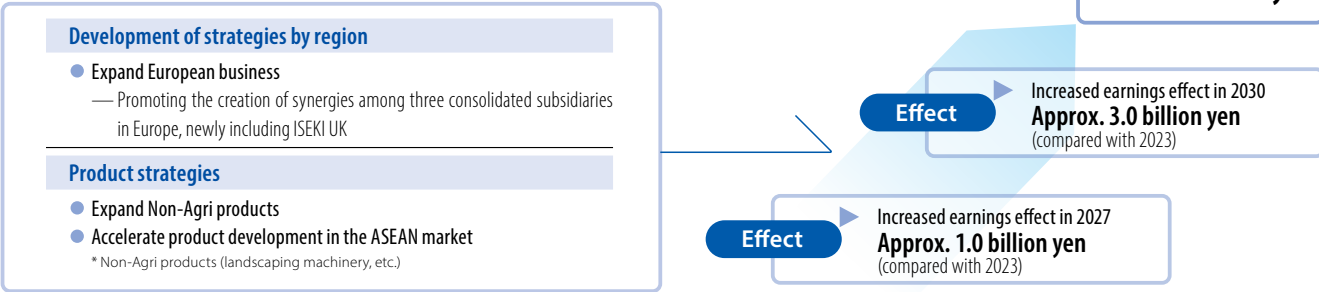


In 2025, the business environment remained unstable due to factors such as the U.S. tariff issue. However, it was a year in which we solidified our business foundation toward achieving Project Z, including welcoming ISEKI UK & IRELAND LIMITED (renamed from PREMIUM TURF-CARE LIMITED in December) as a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

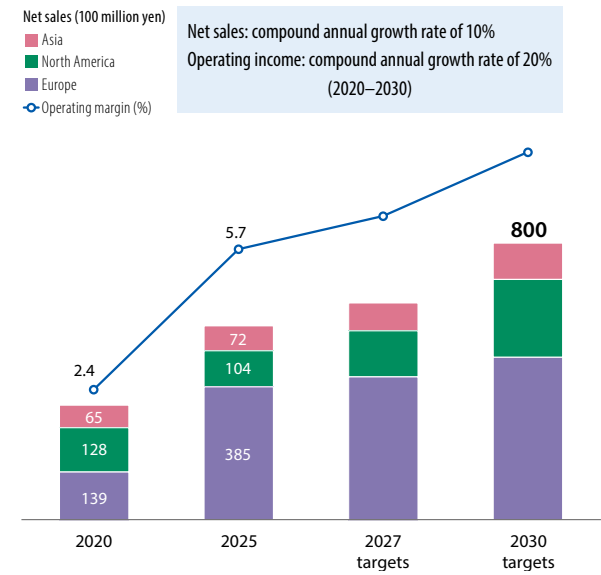
The business environment is expected to remain unpredictable due to factors such as increasing tensions in global affairs. However, with the aim of achieving overseas sales of 80.0 billion yen in 2030, the Company will implement growth strategies through “regional strategies” and “product strategies,”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

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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.

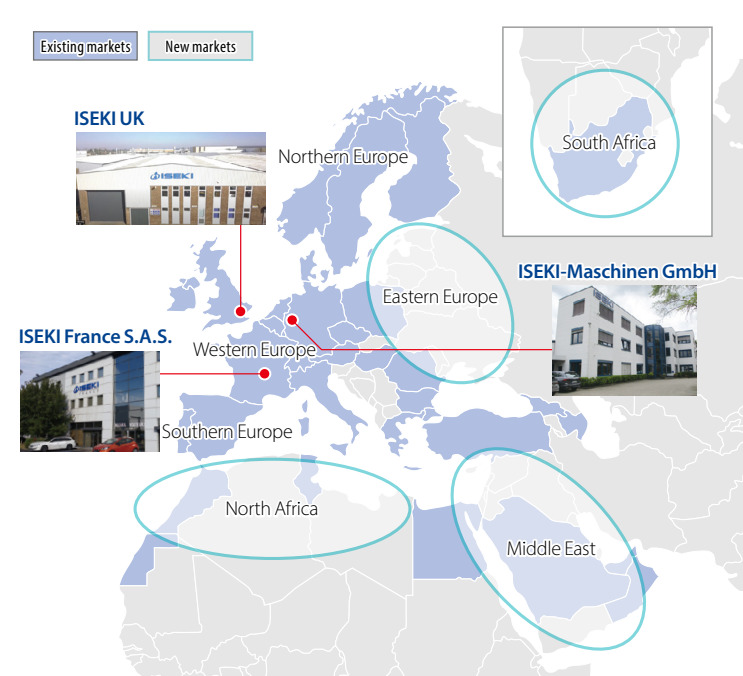
Regional strategy:

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

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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

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

Effect

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.

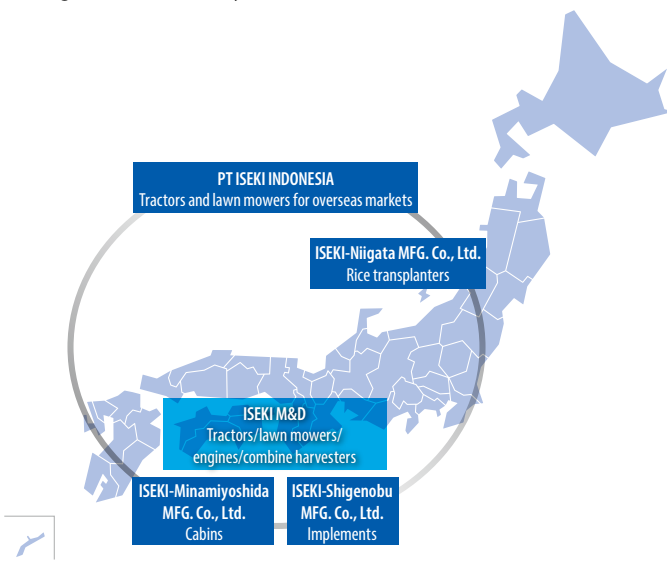
To solve these issues, the Company is building a production system centered on ISEKI M&D. The Company is gradually promoting the restructuring of its domestic bases based on the integration of product assembly functions and the division of roles in component production. In concrete terms, the Company 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.

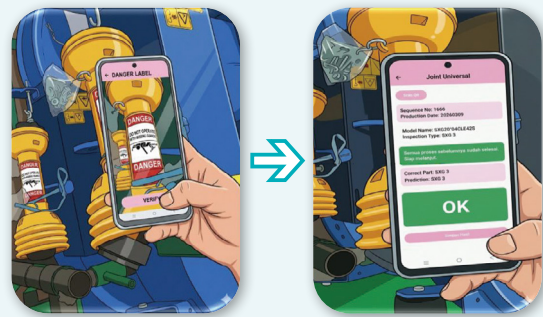


TOPIC Establishment of digital quality management system at overseas production sites

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.



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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.”

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.



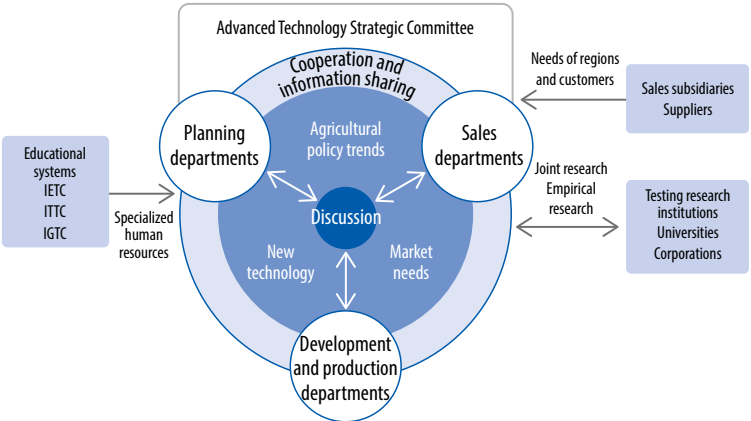
“BB Series,” a new small-sized tractor model for the Japanese market, with 19 horsepower

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

Examples of AI utilization in product development

Initiatives to utilize generative AI in the design review process

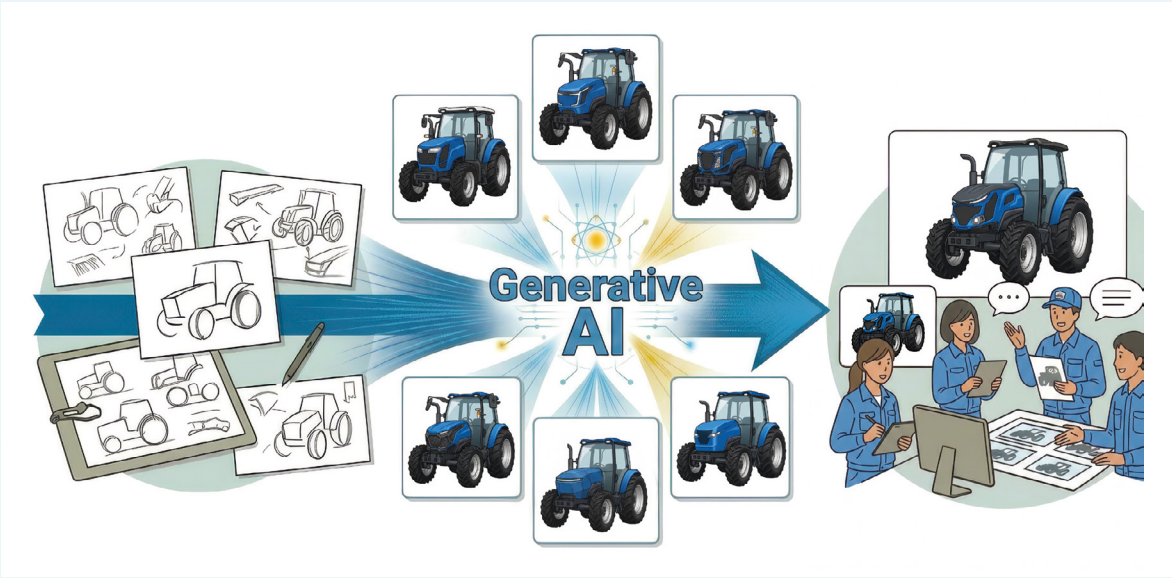
In order to enhance the quality of design consideration in product development, the Company began utilizing generative AI (a type of artificial intelligence with creative capabilities) mainly in the initial phase.

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.



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.



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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.



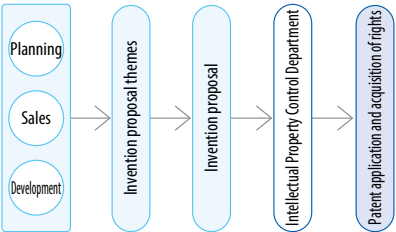
Lineup of mowing machines



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.



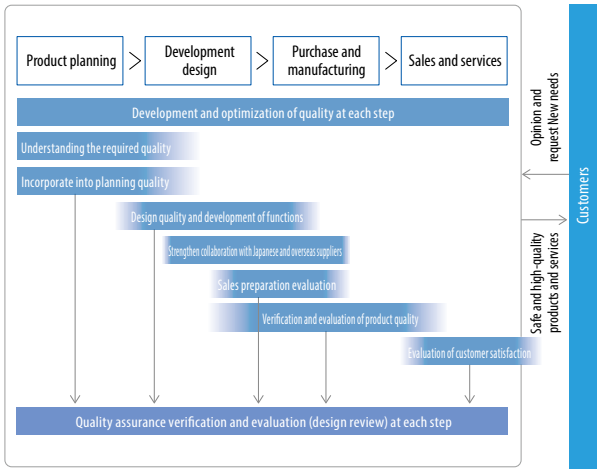
Product development reflecting the voices of customers

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



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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.

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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.

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Sustainability in ISEKI Group

Basic Policy (Fundamental concept)

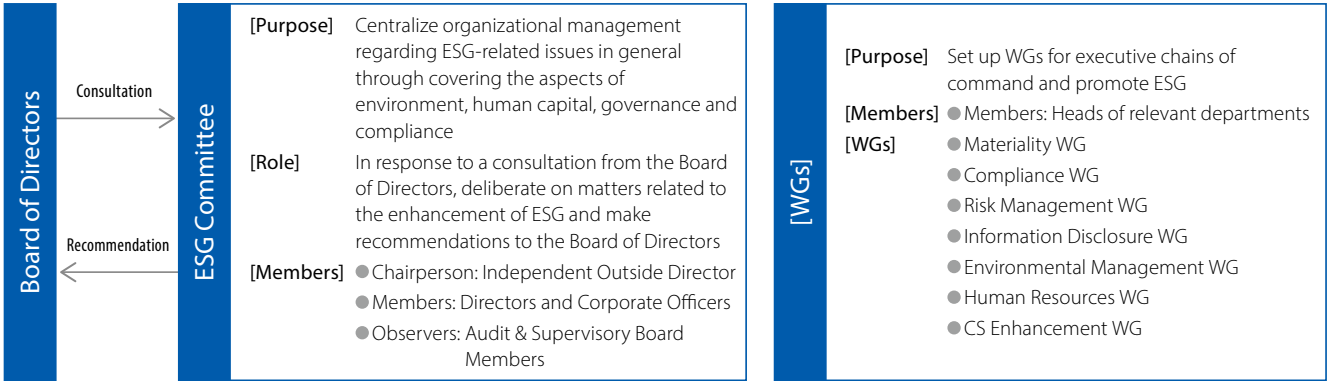
In keeping with the philosophy of our founder, “free farmers from exhausting labor,” ISEKI Group sets forth its corporate philosophy as “We strive to contribute to the creation of the prosperous and sustainable society through ‘providing innovative products and higher quality of services to the customers.” We will strive for the realization of a sustainable society in cooperation with our stakeholders.

System for promotion of sustainability

We have established the ESG Committee as a consultative body of the Board of Directors for addressing ESG-related issues in the Group. The Committee is composed of directors and corporate officers and chaired by an independent outside director.

In principle, Committee meetings are held every month. The Committee examines and deliberates sustainability-related initiatives for the Group as a whole from the perspective of risks and opportunities, and such initiatives include responses to climate change, respect for human rights, and employee health. In addition, the results of deliberations at Committee meetings are submitted as recommendations to the Board of Directors and basic policies, materiality, and other important matters are deliberated and determined by the Board of Directors. This framework enables the management team to strengthen its involvement. Seven working groups (WGs) have also been set up in the execution line to promote ESG-related activities.

Promotion system



Main agenda items at ESG Committee meetings in FY2025

Number of meetings held 12 times (January to December 2025)

- Main agenda items
- Strengthening of risk management and compliance
 - Materiality indicators (KPIs) and annual plans
 - Report on results of activities to promote materiality

Matters to be reported	[WGs]
Matters related to external assessment	Materiality WG
Matters related to whistleblowing	Compliance WG
Matters related to labor accidents	
Matters related to evaluation of initiatives for risks	Risk Management WG
Matters related to information disclosure	Information Disclosure WG
Matters related to environmental management activities	Environmental Management WG
Matters related to TCFD and climate change	
Matters related to CSR procurement	
Matters related to human capital	Human Resources WG
Matters related to CS improvement	CS Enhancement WG

Stakeholder engagement

Basic Policy (Fundamental concept)

- ISEKI Group strives to build strong relationships of trust with stakeholders by engaging in constructive dialogue with them including direct interaction by senior management.

Major engagements with stakeholders

ISEKI Group engages in constructive dialogue with stakeholders to accurately understand and meet changing expectations from society. 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.

M denotes involvement of senior management

Stakeholder	Concept behind the engagement	Opportunities for dialogue
Customers	To provide high-quality and safe products and services that satisfy our customers, ISEKI Group will extend farm business proposals and support, including cultivation techniques, as well as explanation for the application and safe use of agricultural machinery. We will also strive to understand the true needs of customers through dialogue and use this dialogue to improve product development.	Direct dialogue with sales and maintenance staff, User exchange meetings M , Visits M , Trainings, seminars, Exhibitions and demonstrations M , Proposal and support of farm business technologies, Market research
Shareholders and investors	We will bolster corporate governance in order to build long-term trusting relationships with our shareholders and investors. We will engage in constructive dialogue based on our disclosure policy.	General shareholders' meeting M , Quarterly briefing sessions (four times a year) M , Individual meetings M , Information meetings for individual investors and shareholders M , Facility tours M , Issuance of IR-related tools, Participation in large-scale events M
Suppliers	We will cooperate with our suppliers to create opportunities for mutual improvement so that they can lead to mutual business development including fair and equitable trade towards building a sustainable supply chain.	IR information meetings for vendors M , Dealer meetings M , Superior company tours M , Inspection and meeting with suppliers M , Business report meeting M , Annual general meeting of Ishokai M , Visits (Japan, overseas) M
Local communities	We will engage in environmental conservation, activities for community growth and development, and activities for the nurturing of the next generation so as to enable co-existence with the local communities.	Tours of factories and exhibition halls M , CSR activities such as cleaning activities, Exchange of views with local governments, etc. M , Participation in local events M
Employees	We will work on providing a secure and safe workplace, share company information and support for career development towards creating an employee-friendly workplace and nurturing human resources.	Employee communication M , Collective bargaining M , Labor management council M , Safety and Health Committee, Engagement surveys, Employee meetings M , Various training, Various commendation meets and contests M , Former employees' meetings M

Dialogues between employees and the management

To disseminate our long-term vision and management strategies to materialize the vision, we engage in employee communication every year, where the management has direct dialogues with employees. In 2026, the chairman and other officers visited sites in Japan to report on the progress of “Project Z” measures and exchanged opinions through Q&A sessions. In addition, we shared our efforts toward completing “Project Z” through group work.

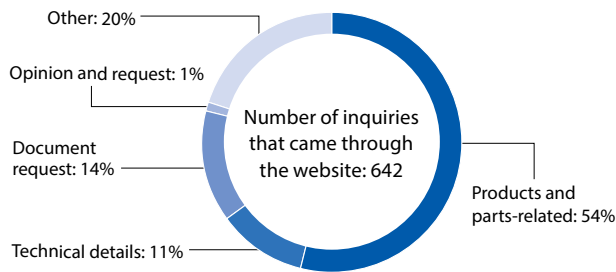


Responses to and support for customers

We strive to respond to inquiries, queries, and comments about our products from customers correctly, promptly in a sincere manner (target of within one business day), with the aim of enhancing customer satisfaction. The valuable opinions from customers are fed back to senior management and relevant departments and are used to develop better products, as well as for sales and service activities.

The number of inquiries through the Company's website in 2025 was 642. For matters that receive a large number of inquiries, ISEKI Group discloses them on its website so that other customers can make best use of them.

Contents of inquiries regarding products from customers (2025)



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Initiatives for society

Basic Policy (Fundamental concept)

- Suppliers

To fulfill its social responsibility, together with its suppliers, across the entire supply chain, ISEKI Group's basic policy is that "the relationship with suppliers should be fair and equitable and it will not abuse its privileged position in the trade to give unfair and disadvantageous treatment to suppliers."
- Local communities

The basic rules of ISEKI Group include "to actively contribute to local communities as a member responsible for society." ISEKI Group works on contributing to society through its business activities aiming for the mid- to long-term development of local communities.

Promotion of CSR procurement

In order to jointly promote, with its suppliers, procurement activities that take social responsibility into account, ISEKI Group established ISEKI Group CSR Procurement Guidelines in 2018, promoting CSR procurement. The Group checks the status of suppliers' initiatives for CSR through questionnaire surveys, and reconfirms contents and make improvement proposals, etc. in relation to suppliers whom CSR risks are concerned for. We work to strengthen cooperation with suppliers through actions such as explaining the state of ISEKI Group's management and CSR procurement at business report meetings and IR information meetings for vendors and holding superior company tours.

In 2025, we held two business liaison meetings as well as lectures and workshops, sponsored by the Matsuyama Iyukai and the Ehime Machinery Manufacturers Association, on mental health for young and mid-level executives who play central roles at our suppliers.

- Matters requested to suppliers
- 1

Customer satisfaction and quality assurance
- 2

Legal compliance and ethical corporate activities
- 3

Respect for human rights and creation of a healthy and safe workplace
- 4

Environmental preservation and green procurement
- 5

Co-existence with local communities and international cooperation
- 6

Management transparency and accountability

Initiatives undertaken in 2025	Target	Result
Rate of responses to CSR procurement questionnaire surveys	100%	89%

Please refer to our website for the latest information.
<https://www.iseki.co.jp/sustainability/social/supplychain/>

Initiatives to ensure fair business practices

The Company strives to achieve mutual prosperity with its business partners and to ensure fair and impartial transactions. The Company will continue to conduct internal training on laws and regulations related to fair and proper transactions, and work to further improve transaction appropriateness through various measures aimed at ensuring their effectiveness.

The Company takes the recommendation from the Japan Fair Trade Commission on May 9, 2025 on the grounds of violation of the Subcontract Act (currently the Act on Optimization of Consigned Transactions with Small and Medium Sized Enterprises) seriously, and the Group as a whole will make efforts to prevent recurrence.

Implementation of initiatives to prevent recurrence

1

Thorough dissemination of preventive measures within the Company and implementation of preventive measures

2

Formulation of Basic Policies for Appropriate Subcontracting

3

Periodic monitoring by legal personnel of compliance with the Act on Optimization of Consigned Transactions with Small and Medium Sized Enterprises

4

Periodic training for officers and employees to ensure compliance with the Act on Optimization of Consigned Transactions with Small and Medium Sized Enterprises

Partnership Building Declaration

Please refer to our website for the latest information. https://www.iseki.co.jp/cms/upload/pdf/news/co_20260508.pdf

Policy on price negotiations to appropriately pass on labor costs

Please refer to our website for the latest information.
https://www.iseki.co.jp/cms/upload/pdf/sustainability/Policy_on_Labor_CostPass-Through.pdf

Co-existence with local communities

ISEKI Group has proactively conducted social contribution activities to co-exist with local communities. For the development of local communities, we are working to contribute to society through business activities.

Activities for contribution to the local community and environment

We conduct cleaning activities in local communities at our offices as part of corporate citizen activities oriented to the local community and environmental education for employees.

Education activities for next generation

We conduct food and agricultural education for the next generation through activities such as holding drawing contests, exhibiting products at food and agricultural events, and holding visiting lectures.

Cooperation with local governments, etc.

We conduct activities to contribute to the realization of sustainable agriculture through initiatives in collaboration with local governments and other partners throughout Japan.

Please refer to our website for the latest information. <https://www.iseki.co.jp/sustainability/social/contribution/>



Dispatched instructors to local high schools to give lectures

ISEKI Group × NOGYOJOSHI (female farmers) project



Female farmers, who account for approximately 40% of the core agricultural workers, play an important role in agriculture and local communities. Female farmers with a variety of abilities are indispensable for the development of agriculture and the revitalization of regional economies, and efforts to improve agricultural productivity, promote the active participation of female farmers, and develop leaders are increasingly required.

The ISEKI Group has participated in the "NOGYOJOSHI (female farmers) project" promoted by the Ministry of Agriculture, Forestry and Fisheries since its launch in 2013, and has been engaged in the "Dream NOGYOJOSHI (female farmers) support project" as an individual corporate activity throughout the ISEKI Group.

Through these activities, we have implemented a variety of initiatives to help female farmers solve the issues they face in agriculture and agricultural machinery. A total of more than 1,100 female farmers participated in these activities.

Under these circumstances, in October 2024, the Company launched the "ISEKI Agrinno Ladies' Sanae Club," the first female promotion team in the ISEKI Group, with the aim of strengthening solution activities for female farmers and promoting the advancement of women through further enhancement and activation.

Main activities

Seminar on handling agricultural machinery

Based on the feedback that "there are no people around me who can ask about agricultural machinery" and "I want to make more use of agricultural machinery," we have been conducting seminars on agricultural machinery handling for female farmers in various parts of Japan.



Online seminars

Seminars are held on a variety of topics, including "agricultural machinery maintenance methods" and "soil improvement." These events provide an opportunity for participants to participate easily without being constrained by time or location.

Agricultural machinery exhibition tour

Responding to voices such as "I'm worried about going to an exhibition by myself" and "I want to go to an exhibition, but the hurdle is too high," we have organized an agricultural machinery exhibition tour for female farmers.



Participation in events

At the Farmers & Kids Festival, in line with the International Women's Day of March 8, we set up a message board to support female farmers. At NIPPON FOOD SHIFT, we display products made in collaboration with women in agriculture, and are working to raise awareness of the significance of the existence of female farmers.

Main Activities (January 2025 - December 2025)

Schedule	Format	Local communities	Details
Feb. 2025	Seminar on handling agricultural machinery	Tsukubamirai City, Ibaraki Prefecture	Cooperated as a lecturer in holding demonstrations and hands-on experiences of smart agricultural machines and EGO products at the Women Farmers' Networking Event in Ibaraki Prefecture, which was hosted by the Ibaraki Regional Office, Kanto Regional Agricultural Administration Office
Jul. 2025	Agricultural machinery exhibition tour	Towada City, Aomori Prefecture	Tour around exhibition halls at "Nanbu Godo Agri Japan Festival" held by Tohoku Company
Aug. 2025	Online seminars	Regardless of region	Conducted online seminars on maintenance, mainly for brushcutters and tillers
Oct. 2025	Seminar on handling agricultural machinery	Mobara City, Chiba Prefecture	Explanations were given on actual machines regarding agricultural work safety, basic inspection and maintenance of tractors and cultivators, and safe operation methods.
Nov. 2025	Seminar on handling agricultural machinery	Sendai City, Miyagi Prefecture	Conducted a seminar on the safe use of tractors, cultivators, and mowing machines in cooperation with Miyagi University



Opinions and impressions from the participants

●

I had no opportunity to attend events for women only in the past, so I am glad that I was able to enjoy it

●

I was surprised to find out that the lecturer was a woman because I thought it would be a male lecturer

●

I would like to apply what I learned about how to operate agricultural machinery in my own field in the future

●

I was inspired to work on what I learned from now on

These activities have created a positive cycle within the region, including the creation of connections among participants, and the activation of new challenges and information sharing. In addition, by enriching the content of activities based on feedback from the front line, it has become one of the foundations that support sustainable activities.

In the future, we will continue to support the activities of female farmers in cooperation with local communities, and contribute to the realization of sustainable agriculture.

Please refer to our website for the latest information. <https://www.iseki.co.jp/noujo/>

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Response to climate change

In May 2022, ISEKI Group announced its endorsement of the TCFD Recommendations, and since then, has disclosed information in line with the Recommendations.

*TCFD: Task Force on Climate-related Financial Disclosures(TCFD) established by the Financial Stability Board (TCFD: Task Force on Climate-related Financial Disclosures)



Governance

Agriculture, which benefits from nature, is closely connected to climate change. Given its potential for a major impact on the business activities of ISEKI Group as well, an integrated manufacturer specializing in agricultural machinery, we have positioned taking measures for climate change as one of our priority management issues and are practicing environmental management.

Climate change-related risks and opportunities are managed centrally by the ESG Committee. The Committee meets monthly in principle, examining and deliberating on climate change-related risks and opportunities four times a year. The results of deliberations at the Committee meetings are recommended to the Board of Directors, and important matters are deliberated and determined by the Board of Directors. This framework enables the management team to strengthen their involvement. (Please refer to P55 for information about the ESG Committee)

Strategy

The ISEKI Group conducted a climate change scenario analysis in 2021, and has regularly reviewed it since then, in order to recognize the impact of climate change on its business, reduce risks associated with the impact, and manage business opportunities and incorporate them into management decisions and strategies.

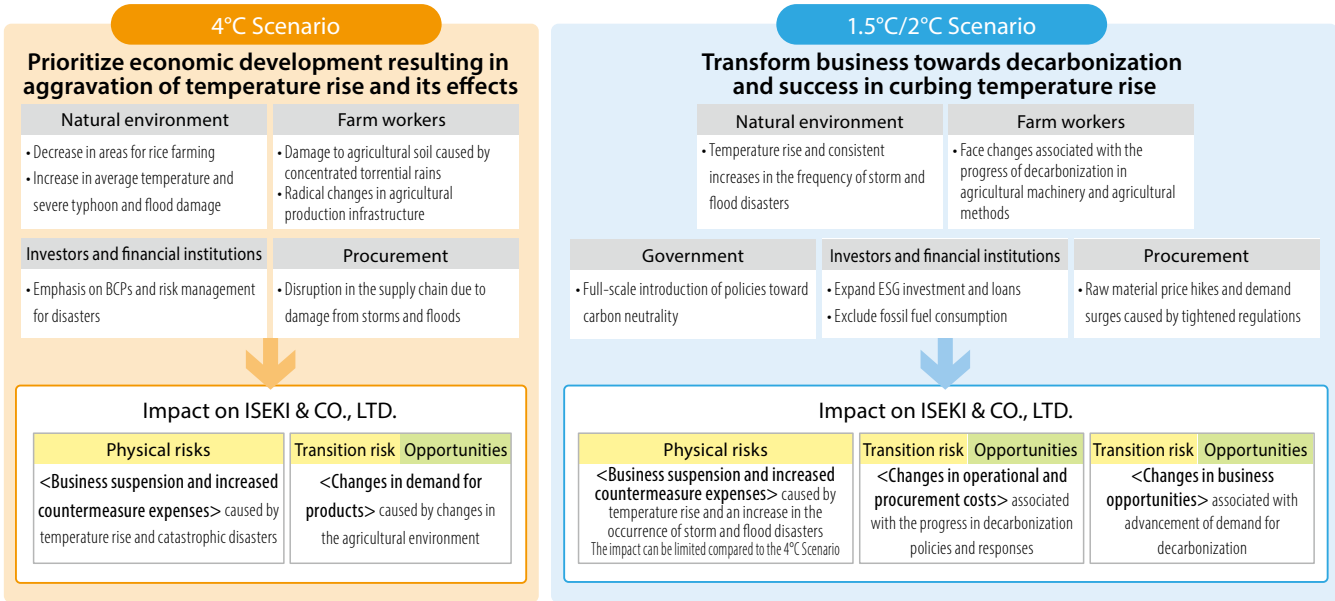
Based on the two scenarios of 1.5°C/2°C and 4°C referred to in the external scenarios, we conducted a cross-organizational analysis of the value chain of our agricultural machinery businesses, which are our main businesses, and identified risks and opportunities for 2050. With regard to the scenario world view assumption and qualitative and quantitative impact assessment, the view on risks, opportunities, and the direction for strategy are based on assumptions for 2030, since the data for 2050 forecasts is limited. Through both scenarios, the Company positions the introduction of smart agricultural machines that use cutting-edge technologies, such as AI and data analytics, that contribute to the reduction of consumption of fossil fuels and materials, and its on-site technical capabilities, which are the Company's strengths, and proposals for efficient agricultural operations using such smart agricultural machines as the main strategic direction.

Climate change risks and opportunities based on scenario analysis and strategic direction

Financial impact: Large (10.0 billion yen or more), Medium (1.0 billion yen or more and less than 10.0 billion yen), Small (less than 1.0 billion yen)
Potential: Large (short term: within 3 years), Medium (midterm: 3 to 5 years), Small (long term: 5 years or longer)

Category		Details	1.5°C/2°C Scenario		4°C Scenario		Time frame of response	Strategic direction	Existing initiatives	Future initiatives
			Financial impact	Potential	Financial impact	Potential				
Transition risk	Technology	Decline in competitiveness due to delay in technology development for low-carbon, electrification, etc.	Medium	Medium	Medium	Medium	Short term	- R&D of carbon-free agriculture - R&D of agricultural machinery that supports agriculture adapted to natural disasters and rising temperatures	- Sales of products featuring straight-travel assist systems (tractors, combine harvesters, and rice transplanters) - Starting limited sales of electric riding mowers (Dec. 2022) - Starting sales of biofuels (HVO)-compatible products	- Enhancing lineup of automatic steering-enabled & robotic agricultural machinery - R&D of electric agricultural machinery - R&D of agricultural machinery adapted to natural disasters and rising temperatures - Mass production of electric riding mowers
	Market	Sales decreased due to lower demand for conventional agricultural machinery resulting from progress toward low-carbon society and changes in social infrastructure	Large	Small	Medium	Small	Short term			
	Policy	Increase in operation cost due to introduction and strengthening of carbon tax and emissions trading scheme Basis for calculation of financial impact Supplementary information on P61	Medium (1.1 billion yen/year of increased cost burden)	Medium	Small (0.35 billion yen/year of increased cost burden)	Medium	Mid term	- Provision of increasingly detailed TCFD information disclosures - Comprehensive understanding of greenhouse gas emissions and stock-take of reduction plans	- Identification of climate change risks and opportunities, scenario analysis - Understanding and disclosure of greenhouse gas emissions (Scope 1, 2 & 3) - Introduction of International Renewable Energy Certificate (I-REC) at overseas business bases (from 2022) - Introduction of internal carbon pricing (from January 2025)	- Regular revision of climate change risks and opportunities and reflection in management plans - Understanding of greenhouse gas emissions, including sales bases, and revision of scope of reduction targets
	Reputation	Decline in evaluation by investors and other stakeholders, divestment, or a sharp drop in share price due to delays in responding to climate change	Small	Medium	Small	Medium	Mid term			
	Market	Changes in supply chain caused by progress in climate change result in higher manufacturing costs, making it difficult to provide products	Small	Medium	Small	Medium	Long term	- Close monitoring of global material prices caused by climate change and improvement of material input efficiency - Close monitoring of status of water resources with respect to climate change	- Understanding of input of material and water resources - Setting reduction targets for water consumption (global production bases) - Reducing weight of parts using iron, reducing processing waste	- Reducing weight of parts using iron, reducing processing waste - Recycling of cooling water, use of reclaimed water (stormwater, etc.)
Physical risk	Acute	Suspension of product and service provision systems due to damage suffered by the Company/supply chain caused by severe typhoon and flood damage Basis for calculation of financial impact Supplementary information on P61	Medium (4.8 billion yen/year reduction in sales)	Medium	Medium (6.8 billion yen/year reduction in sales)	Medium	Short term	- Understanding of detailed flood risks to production and sales bases and supply chain - Formulation of BCP that encompasses supply chain	- Formulation of BCP (offices, production, and sales sites in Japan) - Mapping of domestic suppliers, formulation of diversification plan - Establishment of the SCM Section (from December 2024)	- Understanding of detailed flood risk of the entire supply chain, including overseas bases - Formulation of BCP that encompasses global supply chain
		Decline in market value of existing agricultural machinery centered on internal combustion engines	Medium	Small	Large	Medium	Long term			
	Chronic	Increase in energy price caused by rise in temperature	Small	Large	Small	Large	Long term	- Rebuilding of product sales channels in line with changes and reduction of farmable areas - Promotion of procurement of renewable electricity and energy conservation	- Fuel switching and introduction of cogeneration facilities - Establishment of energy conservation targets (global production bases) - Preparation of draft decarbonization plan at each production site - Creation of a decarbonization roadmap for the entire Group	- Setting targets for renewable energy ratio to energy consumption - Establishment of renewable energy power generation facilities - Energy consumption efficiency improvement through production optimization - Reorganization of a decarbonization roadmap in line with the establishment of optimal production system - Detailed survey of long-term changes in farmable areas
		Rebuilding of product sales channels in line with changes and reduction of farmable areas due to progression of climate change	Small	Small	Small	Small	Long term			
Opportunities	Products and services	Increase in demand for agricultural machinery and solutions that contribute to energy conservation and reducing greenhouse gas emissions	Large	Small	Medium	Small	Short term	- R&D of carbon-free agriculture - R&D of agricultural machinery that supports agriculture adapted to natural disasters and rising temperatures	- Sales of products featuring straight-travel assist systems (tractors, combine harvesters, and rice transplanters) - Starting limited sales of electric riding mowers (Dec. 2022) - Starting sales of biofuels (HVO)-compatible products	- Enhancing lineup of automatic steering-enabled & robotic agricultural machinery - R&D of electric agricultural machinery - R&D of agricultural machinery adapted to natural disasters and rising temperatures - Mass production of electric riding mowers
		Increase in sales of products and services that respond to changes in the agricultural environment caused by climate change	Large	Medium	Large	Medium	Short term			
		Increase in demand for solutions that contribute to reducing greenhouse gas emissions from farming soil	Medium	Medium	Small	Medium	Mid term	- Close monitoring of trends in subsidy schemes of national and local governments - Deliberation of solutions that respond to farm producers' needs - Establishment of sustainable infrastructure for agricultural production	- Innovation in environmentally sound agriculture based on collaboration with companies and local governments - Business alliance with Faeger Co. Ltd. related to J-Credit - Sales of tractors, rice transplanters, and riding cultivators compatible with an AI-utilized cultivation management system (variable fertilization and spraying maps) - Establishment of the Large-scale Planning Section (from January 2025)	- Formulation of business plans as for-profit business - Demonstration of model cases, nationwide rollout of business - Provision of valuable agricultural solutions by the Large-scale Planning Section

World view of each scenario (envisaging 2030)



Scenario analysis and data collection

Collection and analysis of data were conducted across the whole ISEKI Group (domestic sales, overseas sales, product planning, and the finance, procurement, and environment-related departments), with the Strategic Planning Section of the Corporate Planning Department playing a central role.

External scenario mainly referenced in the scenario analysis

1.5°C/2°C Scenario	IPCC AR6 SSP1-1.9, SSP1-2.6 (Climate policy scenario in which post-industrial temperature increase can be curbed to less than 1.5°C/2°C), IEA's NZE scenario, and APS scenario
4°C Scenario	IPCC AR6 SSP3-7.0, SSP5-8.5 (scenario in which no climate policy is introduced due to regional conflicts and dependence on fossil fuels)

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Response to climate change

Management of risks and opportunities

Risks and opportunities identified in the scenario analyses are categorized and assessed on two axes (four quadrants); one is the magnitude of financial impact and the other is the likelihood of occurrence. This helps us determine the timescale for measures to address the risks and opportunities. The ESG Committee has established a system for categorization, assessment, and follow-up of risks and opportunities. It will continue to review the system on a yearly basis, including examining and deliberating on strategies and confirming new risks in line with environmental changes. Management of risks that may affect business activities in the short term is integrated into management by the Risk Management Working Group (WG). In doing so, we strive to prevent risks from materializing and minimize losses, to contribute to smooth business operations and preserve assets within our operational processes in accordance with risk management regulations. (Please refer to P77-78 for information about the Risk Management WG)

Meeting bodies that discuss future directions of product planning, development themes, and other issues, such as the Product Development Strategy Committee and the Advanced Technology Strategic Committee, evaluate and deliberate opportunities for climate change-related products and solutions and incorporate the results with certain importance in the development planning with the approvals of the Directors’ Operation Committee and the Board of Directors.

Indicators and targets

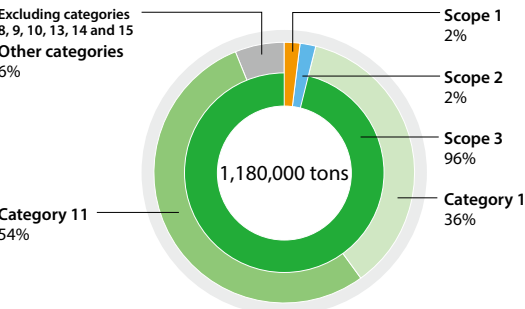
ISEKI Group strives to contribute to the creation of a carbon-neutral and sustainable society by 2050 through “providing innovative products and higher quality of services to the customers.”

Key performance indicators (KPIs)	Targets (mid- to long-term environmental targets)
CO ₂ emissions for entire ISEKI Group (Scope 1 & 2)	2030: 46% reduction compared with 2014 (Total)
Eco-product ratio in domestic sales	2030: 85%

Initiatives throughout the entire value chain	
Scope 3 Category 1	In April 2022, we asked suppliers to establish their own voluntary CO ₂ reduction targets. We aim to formulate CO ₂ reduction targets in collaboration with suppliers that account for 70% of transaction amount
Scope 3 Category 11	We are conducting R&D on electrification of agricultural machinery and agricultural machinery that uses alternative energy sources such as hydrogen
Other	We participate in decarbonization demonstration projects in the agricultural industry in collaboration with local governments and other partners. Such projects include the promotion and expansion of environmentally sound agriculture.

*Please refer to P63 for progress in achieving mid- to long-term environmental targets in 2025. Information about the eco-product certification system and past results are posted on the Company’s website.

CO₂ emissions from value chain



2025 Results [Scope of calculations: Consolidated companies of ISEKI Group (including overseas sites)]	
Total of Scope 1, 2 & 3	1,180,000 tons
Scope 1: Direct emissions from our own activities (such as fuel combustion and industrial processes)	27,000 tons
Scope 2: Indirect emissions associated with the use of electricity, etc. supplied by others	26,000 tons
Scope 3: Indirect emissions other than scope 2 (emissions by others related to activities)	1,130,000 tons
Category 1: Emissions associated with the extraction of resources and manufacturing of purchased goods and services	430,000 tons
Category 11: Emissions from the use of sold products	630,000 tons
Other categories	73,000 tons

*These figures are calculated with reference to the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain of the Ministry of the Environment and Ministry of Economy, Trade and Industry.
*Category 11 includes future emissions based on the assumption that the products sold in the respective years will be used for their useful lives.
*Category 12 includes future emissions during the disposal of products sold in the respective years.
*Scope 3 emissions of overseas sites are calculated based on the emission intensity database for Japan.
*For details of emissions in each category, please refer to the Company’s website.

Supplementary information

➤ Basis for calculation of financial impact

Increase in operation cost due to introduction of carbon tax and emissions trading scheme
● Increased tax burdens associated with ISEKI Group’s total GHG emissions in 2030 were calculated by multiplying ISEKI Group’s emissions volume in FY2020 (64,000 tons/year [Scope 1 & 2]) by the relevant carbon price (1 U.S. dollar = 140 yen). ● For the 1.5°C/2°C Scenario, the carbon price used was 130 U.S. dollars/ton in 2030 (the carbon price for advanced economies in Net Zero by 2050: A Roadmap for the Global Energy Sector, published by the International Energy Agency [IEA]). ● For the 4°C Scenario, the carbon price used was 39 U.S. dollars/ton in 2030 (an assumption based on the carbon price for Europe in the IEA World Energy Outlook 2020’s Stated Policies Scenario [STEPS]).
Suspension of product and service provision systems due to damage suffered by the Company/supply chain caused by severe typhoon and flood damage
● The financial impact of flooding was calculated for ISEKI’s production bases, and for the production bases of suppliers from which we purchase 100 million yen or more of raw materials or parts per year. ● The impact on our own production bases was surmised by prorating average net sales from 2020 to 2021; the impact on suppliers was surmised by prorating the value of supplies purchased in 2021 from the aforementioned suppliers. ● Flood risk was determined by creating a risks and hazards map for each base using the World Wildlife Fund Water Risk Filter. ● As ISEKI has a business continuity plan (BCP), our calculation assumed that the time required to recommence sales or business would be 20 days (from data provided by the Small and Medium Enterprise Agency).

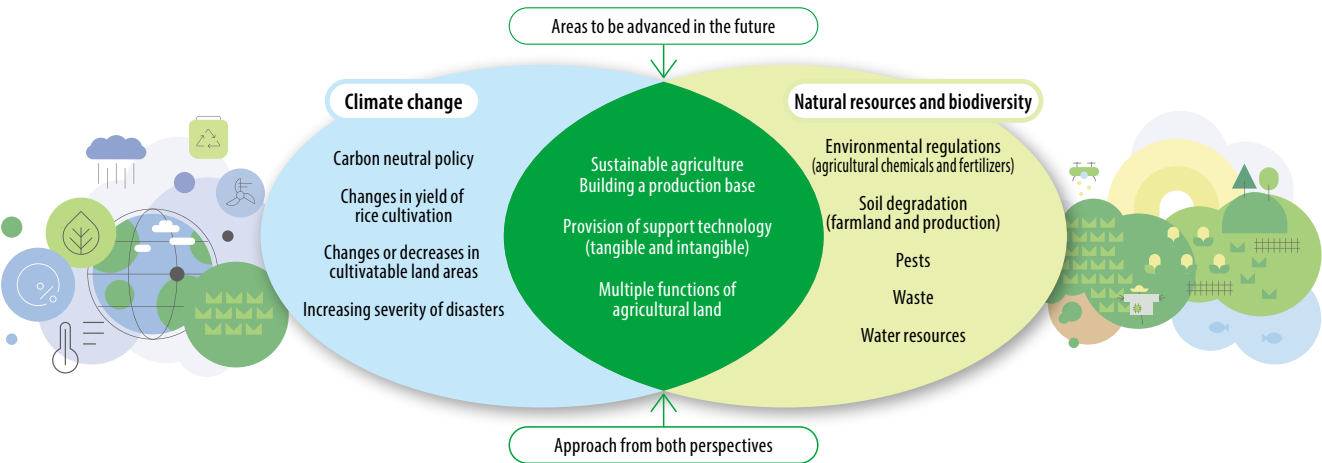
Initiatives for natural resources and biodiversity

Agriculture, in particular paddy rice cultivation, on which the Company operates, is closely related to greenhouse gas emissions and climate changes, as well as natural resources such as water resources, soils, and ecosystems, and biodiversity. In light of these characteristics, the Company views the preservation of natural resources and biodiversity as one of the most important issues for the survival of its businesses. Through dialogue and cooperation with local communities and diverse stakeholders, the Group will work to promote biodiversity-conscious business activities and provide products and services that balance the conservation of biodiversity with the sustainable use of its benefits, while contributing to the realization of a sustainable society based on harmony with nature.

Integrated approach based on climate changes, natural resources, and biodiversity

The Company has established the “Biodiversity Guidelines” as its basic policies on biodiversity, and incorporates natural resources and biodiversity into its environmental management as one of the important elements supporting its business activities. In the future, based on the governance and risk management processes for addressing climate change developed based on the TCFD Recommendations, and also taking into consideration the TNFD (Global Framework for Disclosure of Nature- and Biodiversity-Related Risks), we will take an integrated view of climate changes, natural capital, and biodiversity, and gradually identify and analyze the risks and opportunities in our business activities, products, and services toward realizing sustainable agriculture.

 Biodiversity Guidelines <https://www.iseki.co.jp/sustainability/environment/conservation/>



Examples of initiatives for conservation of natural resources and biodiversity

The Company undertakes initiatives from the perspectives of its own business activities, provision of products and services, and engagement with local communities.

Provision of environmentally conscious products (development, products)

- Variable fertilization technology to reduce the use of chemical fertilizers



 Approach to design for environment (eco-products)
<https://www.iseki.co.jp/sustainability/environment/product/>

Reduction of environmental impact in production activities (production)

- Strict voluntary management standards for exhaust gas and wastewater



 Reduce environmental burden of business activities
<https://www.iseki.co.jp/sustainability/environment/eco/>

Environmental beautification and cleanup activities (regional)

- Environmental protection through cleaning of rivers and coastal areas



 List of the latest topics [Environment]
https://www.iseki.co.jp/sustainability/topics_category/topics_environment/

Proposing agricultural methods (products and services) that lead to the reduction of environmental burden

- Support for the realization of organic agriculture (Aigamo-Robo)



 Initiatives for smart agriculture for environmental conservation
<https://www.iseki.co.jp/einou/sustainable-agriculture/>

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Key Points of ISEKI Report 2026

ISEKI Group's value creation

Management strategies to improve corporate value

Management foundation to support sustainable growth

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ISEKI Group's environmental management

Environmental Vision

ISEKI Group will aim for the creation of a sustainable society by 2050, including carbon neutrality through “providing innovative products and higher quality of services to the customers.”

Basic Environmental Policy

ISEKI Group promotes environmental activities that contribute to achieving harmony among nature, society and corporations with the aim of creating a sustainable society.

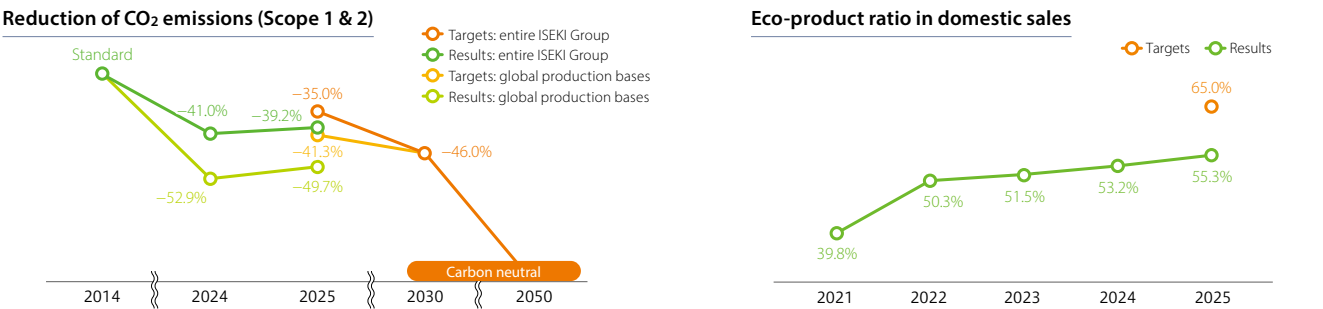
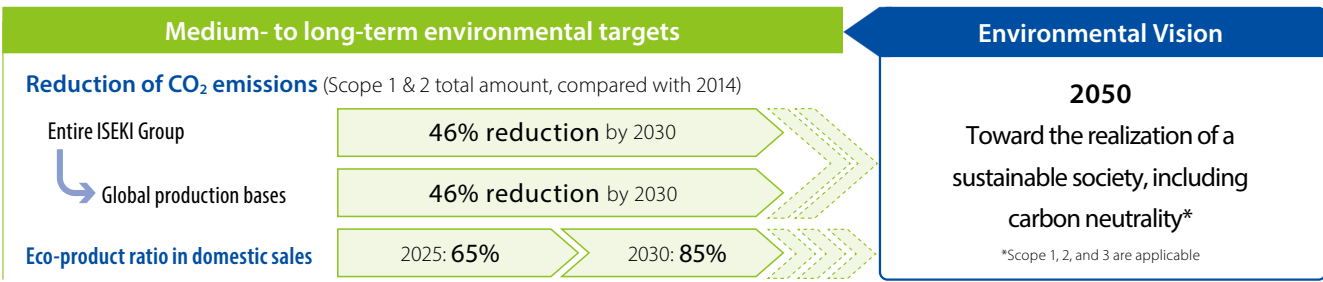
- 1 Maintain environmental management system and its functional applications
- 2 Promote dissemination of business activities and products and services to achieve carbon neutrality
- 3 Comply with environmental laws, regulations, and standards
- 4 Conduct environmental education and information disclosure

System for promoting environmental management

The Environmental Management Working Group (WG) promotes the Basic Environmental Policy throughout the Group, aiming to realize our Environmental Vision by managing progress toward our mid- to long-term environmental targets through compilation of activity results for each office, and by discussing measures related to the Task Force on Climate-related Financial Disclosures (TCFD) (P59-61). Matters discussed by the Working Group are reported to and deliberated by the ESG Committee (P55).



Medium- to long-term environmental targets (2022-)



*Entire ISEKI Group: Consolidated business bases of ISEKI Group in Japan and overseas
*Global production bases: ISEKI M&D CO., LTD. (Matsuyama, Kumamoto), ISEKI-Niigata MFG. Co., Ltd., ISEKI-Shigenobu MFG. Co., Ltd., PT. ISEKI INDONESIA
*The CO₂ emission factor changes every year based on the power source composition ratios of the individual electricity companies. (Emission factors for each electricity company [Ministry of the Environment] were used as a reference.)
*Please refer to the following page or the Company's website for information about eco-products.

Approach to design for environment and eco-products

“Eco-products” are highly environmentally compatible products that help solve climate change issues and reduce the environmental burden of agriculture, and have cleared the evaluation criteria under the in-house “eco-product certification system.” Eco-products are given an environmental label (a self-declared label that does not require Type II third party certification as defined by ISO14021), and information is disseminated in catalogues and on the Company's website, providing customers with an opportunity to choose environmentally conscious products. As one of the indicators for the expansion of environmental consideration products, the Company has set the “eco-product ratio in domestic sales.”

Establishment of a new target for the ratio of eco-products to domestic sales and revision of calculation standards

In establishing the new 2030 targets, the calculation criteria were revised. Until 2025, domestic products sold under the Company's brand, including purchased products, were included in the scope of calculation. However, since the Company cannot be involved in the design of purchased products because they are developed by other companies, only products developed by the Company have been included in the scope of calculation since 2026. Changes in the eco-product ratio in domestic sales resulting from the revision of the standards are shown in the chart on the right.



Major results in reducing environmental impact through the promotion of environmental management

	Medium-term environmental targets (per net sales)				FY2025 Targets and result evaluation			2026 Targets
	Scope		Standard	2030 Targets	Targets	Results	Evaluation	
Development of recycling-oriented society	Reduction of volume of water used	Global production bases	Compared with FY2014	-41%	-32.5%	-13.1%	×	-34.3%
	Reduction of final volume of waste	Four manufacturing bases in Japan	Compared with FY2013	-71%	-67.4%	-63.8%	△	-68.0%
Manufacturing resources	Reduction of total material input			-35%	-26.3%	-38.5%	○	-28.0%
Toxic chemical substances	Reduction of used volume of chemical substances subject to PRTR law		Compared with FY2023	-1.4%	-0.4%	7.0%	×	-0.6%

*PRTR law: The system and law under which the national government compiles data about the release and transfer of chemical substances and makes the results publicly available each year
*Four manufacturing bases in Japan: ISEKI M&D CO., LTD. (Matsuyama and Kumamoto), ISEKI-Niigata MFG. Co., Ltd., ISEKI-Shigenobu MFG. Co., Ltd. (Please refer to the website of ISEKI & Co., Ltd. for the transition of the results of environmental load reduction for each site.)

Causes of failure to achieve mid-term environmental targets

Volume of water used	Water consumption increased due to water leakage caused by aging facilities, the construction of new buildings and changes to factory layouts in preparation for the reorganization of production sites under Project Z, and the implementation of rooftop water sprinkling at factories from the summer of 2025 at certain sites as a measure to prevent heatstroke. Repair of water leakage points due to deterioration has been completed. The increase in usage associated with the transfer of production will be temporary, and is expected to increase until the restructuring is completed. In addition to optimizing production, water use will also be reviewed.
Final volume of waste	As in 2024, waste emissions increased due to preparations for the restructuring of production bases. Although an increase in waste is expected until the restructuring is completed, the Company will see to it that the final volume of waste will be reduced by thorough separation.
Amount of chemical substances used	The use of chemical substances increased for the purpose of ensuring and analyzing paint quality. In addition to improving the efficiency of painting equipment as part of the production site reorganization, the Company will continue to consider switching paints, etc. to substances not subject to the PRTR Law.

Topic: Installation of solar power generation systems at new buildings

ISEKI M&D, located in Ehime Prefecture, installed a solar power generation system at its new building, which was completed in March 2026. The plant is scheduled to begin operation in June, and is expected to generate 140,000 kWh annually. This is expected to reduce CO₂ emissions by an equivalent of 60 tons annually.
We will continue to promote the introduction of renewable energy throughout the Group.



Topic: Introduction of well water coolers

We introduced a well water cooler at ISEKI-Niigata MFG. Co., Ltd. Well water has a constant temperature of about 15°C throughout the year, and this characteristic is used as heat source water for air conditioning in the plant. At present, it is used only for cooling, but in the future, we are also considering using it as supplementary/reserve heating. This cooler uses less electricity than a standard air-cooled cooler with equivalent performance, and contributes to the reduction of CO₂ emissions. At the same time, in order to use well water, which is a resource shared by the community, efforts are being made to appropriately manage the usage conditions and time of coolers. We will aim for sustainable corporate activities through coexistence with natural resources and decarbonization.



Evaluation by third parties (DBJ Environmental Rating)

In March 2026, ISEKI received the highest rating as one of the “Companies doing environment-friendly business activities progressively,” 20 times in a row, by the Development Bank of Japan Inc., in receiving loans under the DBJ Environmentally Rated Loan Program (DBJ).

Highly evaluated points

- 1 Ongoing efforts to reduce environmental impact through environmental management
- 2 Focusing on raising awareness both internally and externally to create environmental value
- 3 Efforts to contribute to sustainable agriculture through business



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Strengthening effectiveness of the Board of Directors and corporate governance



Atsushi Iwasaki
Outside Director

Eiko Kisogawa
Outside Director

Fumiko Kishimoto
Outside Director

We will support Project Z through to completion from an independent standpoint to improve corporate value.

At ISEKI & Co., Ltd., precise monitoring and advice from outside directors support the implementation of highly transparent organizational management, thorough compliance, and fundamental structural reforms and growth strategies through Project Z. At the meeting, three outside directors were invited to discuss the effectiveness of the Board of Directors and the strengthening of corporate governance.

Changes and effectiveness of the Board of Directors

Iwasaki: Currently, I serve as Chairman of the Board of Directors and the Nomination and Compensation Committee. The operation of the Board of Directors has changed year by year, and in FY2025, I had the impression that the Board of Directors became more stable and effective than ever, including agenda-setting. Discussions are also conducted freely and openly, and I judge that the Board of Directors is generally functioning effectively. As the Chairman of the

Board of Directors, the Corporate Planning Department serves as the Secretariat of the Board of Directors for proceedings, and the Company recognizes that a system has been established to facilitate communication with the Secretariat.

Kisogawa: I felt that the Board of Directors of the Company has been providing an extremely free and open-minded forum for discussion since my first year in office. Internal directors and executive officers also respond sincerely, creating an environment in

which Outside Directors can offer advice and raise points while deepening their understanding of the business. Improvements have been made year by year in regard to the advice and points raised, and we recognize that the PDCA cycle on the execution side is functioning steadily.

With the addition of Mr. Abe in FY2026, the current officer composition includes four outside directors, and half of the members are outside members. Diversity is also ensured, and discussions are invigorated as each director expresses his or her opinion from a perspective that utilizes his or her own experience and knowledge.

In addition, prior explanations from the Secretariat were solid, and this has been a great support for appropriate exchanges of views. Although the meeting materials have been improved in an easy-to-understand manner, there is still room for further improvement, and we will continue to make proposals on this point.

Kishimoto: As for the Board of Directors of the Company, as Mr. Iwasaki and Ms. Kisogawa commented, there was a very receptive atmosphere to the remarks, and I was able to ask questions freely from the beginning of my appointment. In terms of operations, I feel that Chairman Iwasaki has organized the agenda and materials in an appropriate manner, and that the proceedings are proceeding efficiently.

Speaking of a new change, the number of internal directors was reduced by one from FY2025. In line with this, the roles of the executive side have been clarified, and discussions have become more effective, with more proactive comments than ever before. In addition, although we, the three outside directors, have no work experience in manufacturers, Mr. Abe, who has a wealth of experience in manufacturers, was appointed as an outside director in FY2026. We therefore expect that meaningful discussions will be held from a broader perspective.

Iwasaki: One of the themes on which the Company's Board of Directors has deepened its discussions in recent years is initiatives to improve corporate governance. A system has been put in place whereby discussions can be held on various occasions, and the content has become more specific and sophisticated.

Discussions on Project Z have also deepened. At meetings of the Board of Directors, progress reports are received on a monthly basis, and confirmation and indication are made toward achieving the targets.

On the other hand, what I think will be an issue for the Board of Directors in the future is to discuss how to follow up on various management strategies that are being formulated. In addition, discussions on the ideal business portfolio and human resources strategy have yet to be fully developed, and these discussions need to be further enriched in the future.

Kisogawa: I focus on the extent to which awareness of governance and compliance has permeated the Company, and whether or not the Company is a self-improving company. The fact that discussions have increased is evidence of a growing awareness of the importance of governance and compliance, and I think it is worthy of praise. However, this is still a topic at meetings of directors and



executive officers. From now on, we need to thoroughly assess the extent to which this has permeated each and every employee.

Kishimoto: FY2025 was also a year in which the importance of strengthening the Company's governance and compliance became apparent once again, as seen in the recommendation received due to violation of the Subcontract Act (currently the Act on Optimization of Consigned Transactions with Small and Medium Sized Enterprises). It can be said that this led to the clarification of issues related to compliance awareness and governance. On the other hand, I also believe that it is necessary to deepen discussions on longer-term themes, such as the ideal shape of the Company for the future, in addition to the issues at hand.

Project Z from an outside perspective

Kisogawa: It was immediately after the launch of Project Z that I became an outside director. After my appointment, I received various progress reports, but in some respects the basis/supporting rationale for the target figures was not always sufficiently visible. Accordingly, we requested that the execution side clarify the accuracy of plans in each strategy and tactics field, and the current accuracy was made visible. It was easier to discuss some of the delays and shortfalls in the plans because the points were clarified. In the future, however, we will break down such progress into detailed measures and enter a stage where we will discuss the status of accumulated measures. I believe that the business execution side should continue to thoroughly identify issues and raise them as topics for discussion.

With regard to the fundamental structural reforms and growth strategy of Project Z, outside directors play a central role in confirming how the Company will recover in the event that changes in the assumptions for the plan or delays in progress are reported to the Board of Directors. At the same time, we are also discussing whether resources are being appropriately allocated to the growth strategies that should be addressed proactively.

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Strengthening effectiveness of the Board of Directors and corporate governance



Managing risks and issues is crucial in a large-scale project like Project Z. “Are progress reports made with certainty each time?” and “Are plans being advanced while fully recognizing risks, including minor concerns, and formulating preventative measures?” These are the points I am most closely monitoring.

Kishimoto: With regard to recovery measures in response to delays in the plan, there were cases in which we analyzed the factors in more detail and deepened discussions to the point where and how to change them. When asked about the details of the projects that were behind schedule, there were cases where human resources were not sufficiently allocated, and cases where it was judged that appropriate human resources were not allocated even though the work required cooperation among many departments. In such cases, I candidly express my views as an outside director and encourage top-down leadership by the executive officer in charge, among other measures, and I believe these efforts have enabled me to contribute to the more effective management and advancement of projects.

Iwasaki: I agree. To give one specific example, we, as outside directors, visit the Matsuyama district in Ehime Prefecture, where our head office is located, and have the opportunity to hear various stories from local officers. When I visit the site and talk to them, I sometimes see where the problem lies. We convey these findings to the business execution side at the Board of Directors as our opinion, and make proposals for improvement.

In implementing Project Z, there are situations where the importance of the points at issue becomes unclear during discussions. We judge whether it is really an important point or whether the delay in progress is within an acceptable range. In recent years, changes in social conditions and market conditions have been significant, and I am constantly asking whether we are catching up. **Kishimoto:** Looking at the remaining two years leading up to 2027, we believe that the impact of the external environment, such as the recovery in rice prices, also contributed to a certain extent to the business results for FY2025. Based on this point, it is necessary to

conduct strict monitoring in a way that properly determines and sorts out whether the current results are due to such external factors or the effects and results of measures and responses.

In addition, production at the Kumamoto Factory was terminated in 2025, and work is underway to transfer production of combine harvesters to the Matsuyama Factory. The completion of the production transfer is not the goal here either, and it is necessary to improve profitability by efficiently operating the consolidated production facilities in Matsuyama. We recognize that it is important not only to establish a production system, but also to achieve results through its operation.

Iwasaki: We recognize that the improvements in profitability and asset efficiency targeted by Project Z are progressing smoothly. However, as the uncertainty of the external environment increases, it may become difficult to achieve the targets unless we quickly respond to changes. Whether or not risks are detected at an early stage and a prompt response is made will be an important point for future monitoring.

From a stricter perspective, we will not be able to survive in the competitive market unless we move ahead with our targets ahead of schedule, rather than making progress as planned. In response to the report from the business execution side, I will point out and make proposals in a concrete form that I think we can still do this, rather than simply accepting it as good.

Kisogawa: In order to achieve the “operating margin of at least 5%” and “ROE of at least 8%” set out as targets in Project Z, it is important to clarify the process by which these targets will be achieved, and the evidence behind these targets. In addition to the final numerical targets, we will carefully monitor how KPIs that are detailed in terms of process measures are set, how progress is being made in achieving these targets, and whether there are any areas where the pillars have fallen or collapsed.

Response to the revision of the corporate governance code

Iwasaki: Revision of the corporate governance code is currently in progress, and a draft revision was announced in April 2026. The revised plan calls for a shift to proactive governance toward improving corporate value, and includes several themes. In this context, I see the allocation and effective utilization of management resources as a theme that requires particular emphasis.

It will be necessary to clarify priorities for resource allocation and, in all activities including development and sales, maintain a perspective on where emphasis should be placed. To this end, I believe it is extremely important for the Board of Directors to accurately understand and organize the status of each division and determine policies.

Kishimoto: I agree with you. I think that the allocation and effective utilization of management resources is the most important theme in executing Project Z and improving the corporate value of ISEKI & Co., Ltd.

Among the other themes mentioned above, I am interested in strengthening the Secretariat of the Board of Directors, but at ISEKI & Co., Ltd., we have already recognized this as an important issue, and we are aware that we have achieved a certain level of strengthening by making improvements since FY2025.

Kisogawa: With regard to the allocating and effectively utilizing management resources, in particular, in order to make growth investments and allocate human capital efficiently and effectively, it is necessary to review operations on a zero base basis. The employees of ISEKI & Co., Ltd. are diligent and have a strong sense of responsibility, so they may not be very good at zero-based reviews that identify what should be discarded. I believe one point we outside directors should monitor is how the Company addresses this weak area and leads it to results.

Another key point in allocating and effectively utilizing management resources at ISEKI & Co., Ltd. is whether the resources obtained through fundamental structural reforms can be properly allocated to growth strategies. If resources are diverted to temporary cash needs in response to some event, the growth strategies that should be pursued in the first place will be neglected.

Iwasaki: These are important points that we, the outside directors, should check. Fundamental structural reforms should produce results in the short term in Project Z, but growth strategies should be considered over a longer period of time, so the question is whether they are well balanced. Of course, immediate-term numbers are important for a company, and it is natural that the focus should be on those numbers. However, we must also focus on how these numbers will ultimately relate to long-term growth in the future, and whether sufficient resources have been invested and the story for growth has been properly told.

Kisogawa: It can be said that the role of outside directors in proactive governance is currently in a transition period. When considering the direction the Company should take, I think that the perspective of an investor on how to improve corporate value is the most significant advantage that monitoring by Outside Directors brings. Therefore, I believe that the important roles of Outside Directors from now on will be to contribute to discussions on the establishment of strategies.

ISEKI & Co., Ltd.’s future potential

Kishimoto: The employees are sincere and sound, and at the same time they have a challenging spirit backed by high technical capabilities and development capabilities. The Company has built strong relationships of trust with many stakeholders, including farmers and business partners. This is the strength of ISEKI & Co., Ltd. and the source from which it continues to create value.

Due to the recent movement of rice prices, the importance of rice to the Japanese people has been reconsidered. Against this backdrop, ISEKI & Co., Ltd. is a company that will continue to fulfill its mission since its founding to support farmers. On the other hand, we are proactively promoting sustainable growth while increasing



new business pillars, including non-agri fields such as landscape improvement and overseas expansion. Going forward, I hope stakeholders will expect us to further accelerate the pace of transformation and significantly broaden the scope of value creation while proactively transforming ourselves. As an outside director, I will closely monitor and support these initiatives.

Kisogawa: ISEKI & Co., Ltd. is unique as a comprehensive agricultural machinery manufacturer, with its traditions and technological capabilities developed over its 100-year history. We expect its value to expand globally, not only in Japan. As Japanese food is gaining popularity around the world and is becoming widespread, the roles played by farmers will continue to increase. We expect that ISEKI & Co., Ltd., which will support these farmers as they take off toward the future and become a powerful partner in resolving issues, will be supported as an essential company in the world and will continue to develop sustainably.

As an outside director, I will help carry out proactive corporate governance that contributes to the expansion of corporate value, promote management monitoring from an external perspective, and participate in and contribute to discussions on formulating strategies for further growth.

Iwasaki: ISEKI & Co., Ltd. is a comprehensive agricultural machinery manufacturer with unique strengths in areas such as technical capabilities and agricultural business proposals and support capabilities. Based on our long-term vision of becoming a “Solution Provider Agriculture & Landscape,” I am confident that the social value and corporate value expansion that ISEKI & Co., Ltd. will achieve will be shared by all people.

I would like to ask our shareholders and investors for their long-term support. In addition, I will contribute to the development of ISEKI & Co., Ltd. from my position as the Chairman of the Board of Directors and the Nomination and Compensation Committee.

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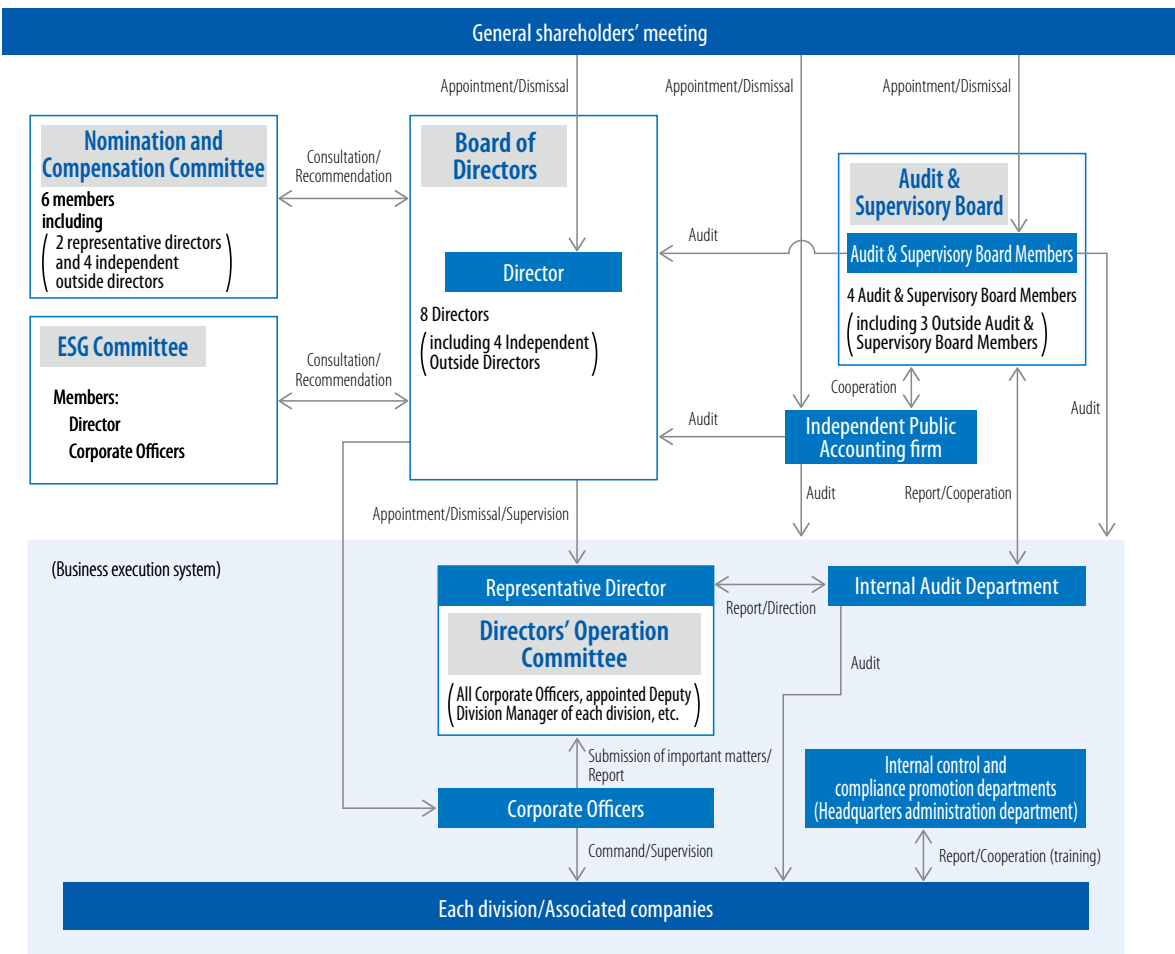
Corporate governance

Basic Policy (Fundamental concept)

The Company positions sustainable growth and improvement of medium- to long-term corporate value as important issues and has established a corporate governance structure to ensure fairness and transparency in management and prompt decision-making.

Corporate governance should function not only for the Company but also for the entire ISEKI Group. The Company controls and supervises business execution across the Group through a reporting and approval system based on the associated company management regulations, etc.

Corporate governance system



With regard to business execution, Corporate Officers steadily fulfill their responsibilities for the execution of business they have been made in charge of by the Board of Directors. In principle, the Directors' Operation Committee, which consists of all Corporate Officers, Deputy Division Managers designated by the chairperson, and others, meets at least twice a month. The Committee shares the latest information, and discusses and receives reports on how we should develop our business, where risks exist, and how we can prevent the risks from manifesting. We thus strive for sound corporate management.

Attendance to the Board of Directors and other Committee meetings (January to December 2025)

	Shiro Tomiyasu	Hajime Odagiri	Shuichi Jinno	Kazuya Tani	Atsushi Iwasaki	Eiko Kisogawa	Fumiko Kishimoto
Board of Directors	19/19	19/19	19/19	19/19	19/19	19/19	19/19
Nomination and Compensation Committee	8/8	8/8	—	—	8/8	8/8	8/8
ESG Committee	12/12	12/12	12/12	12/12	11/12	12/12	11/12

Main meeting bodies and committees

		Internal	External (incl. Independent)	Independent Outside Chair/Chairperson	Male	Female
Board of Directors	Overview	The Board of Directors makes decisions on basic managerial matters, as well as matters specified in laws and regulations and the Articles of Incorporation. To make prompt decisions, regular Board of Directors meetings are held once a month and extraordinary Board of Directors meetings are held as necessary.				
	Members	Chair: Independent Outside Director Internal Directors 4 Independent Outside Directors 4 Ratio of Independent Outside Directors 50% Ratio of female Directors 25%				
Audit & Supervisory Board	Overview	Audit & Supervisory Board Members attend meetings of the Board of Directors and other important meetings. In addition, Audit & Supervisory Board Members establish their own auditing policies and conduct audits of each business site and Group company in cooperation with the internal audit department and the Independent Public Accounting Firm. In addition, important proposals at the Directors' Operation Committee and the status of business execution by Directors are strictly checked to ensure the effectiveness of management oversight and corporate governance.				
	Members	Chair: Outside Audit & Supervisory Board Member Internal Audit & Supervisory Board Member 1 Outside Audit & Supervisory Board Member 3 Ratio of Outside Audit & Supervisory Board Members 75%				
Nomination and Compensation Committee	Overview	ISEKI has established the Nomination and Compensation Committee as a consultative body of the Board of Directors regarding nomination and compensation of Directors, etc. The Committee deliberates and reports to the Board of Directors on compensation of Directors and Corporate Officers, in addition to matters on nominations, such as proposals of agenda items of general shareholders' meetings regarding appointment and dismissal of Directors, selection and removal of Corporate Officers, and appointment and dismissal of Representative Directors.				
	Members	Chairperson: Independent Outside Director Internal Directors (Representative Directors) 2 Independent Outside Directors 4 Ratio of Independent Outside Directors Approximately 67%				
ESG Committee	Overview	ISEKI has established the ESG Committee as a consultative body of the Board of Directors regarding ESG-related issues. It mainly discusses matters related to the enhancement of ESG and submits recommendations to the Board of Directors. Audit & Supervisory Board Members are requested to attend the Committee meetings as observers. We ask for their input as necessary.				
	Members	Chairperson: Independent Outside Director Directors and Corporate Officers				

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Corporate governance

Status of activities of the “Nomination and Compensation Committee”

Number of meetings held

8 times (FY2025)

Main agenda

- Criteria for the appointment of Directors
 - Criteria for the selection of Representative Directors
 - Criteria for dismissal of Directors and the removal of Representative Directors
 - Independence standards for Outside Officers
 - Policy for determining compensation, etc. for Individual Directors
- Matters concerning the nomination of candidates for Directors and the selection of Representative Directors
 - Succession plan for the Chief Executive Officer (CEO), etc.
 - Revision of the officer compensation system
 - Skills matrix for Directors

Composition of the Board of Directors, and Policy on the Appointment of Directors, etc.

The Company’s Board of Directors is composed of Directors with a diversity of different fields of specialization and experience. Proposals for election and dismissal of Directors to the General Meeting of Shareholders and selection and removal of Representative Directors are considered in accordance with the following criteria.

1 Criteria for the appointment of Directors
- Has appropriate personalities as Director - Has outstanding leadership - Has abundant capability, knowledge, and experience in the specialized field - Appointment is considered in a comprehensive manner taking into account the Company's situation and governance structure at that time
2 Criteria for the selection of Representative Directors
- Fulfills the appointment criteria for Directors - Has a company-wide perspective as well as abundant capability, knowledge, and experience in corporate management - Overseas business experience is taken into consideration - Selection is considered in a comprehensive manner taking into account the Company's situation and governance structure at that time
3 Criteria for dismissal of Directors and the removal of Representative Directors
- Upon committing an act that violates laws, regulations, and the Articles of Incorporation - When acknowledged that it is difficult to perform duties due to deteriorating health - When acknowledged to have significantly damaged the Company's corporate value - When acknowledged to have lost the capabilities and quality stipulated by the appointment or selection criteria

The appointment of Corporate Officers is based on comprehensive consideration from the perspective of whether they will be able to execute management and business duties accurately and responsibly in accordance with the basic management policy decided by the Board of Directors.

Proposals to the General Meeting of Shareholders regarding the election of Audit & Supervisory Board Members are based on comprehensive consideration from the perspectives of whether candidates possess knowledge and experience in finance, accounting, and their fields of specialization, and whether they understand all aspects of the Company’s business.

Proposals to the General Meeting of Shareholders regarding the election of Outside Directors and Outside Audit & Supervisory Board Members are based on comprehensive consideration from the perspectives of whether candidates possess abundant knowledge and experience in their respective fields, and whether they will be able to utilize this knowledge and experience to strengthen the Company’s supervisory function, in addition to the independence requirements stipulated under the Companies Act. In addition to the independence criteria prescribed by the Tokyo Stock Exchange, the Company requires Outside Directors and Outside Audit & Supervisory Board Members to satisfy its Independence Standards for Outside Directors/Audit & Supervisory Board Members. In addition, the Company selects candidates for the position of Outside Director or Outside Audit & Supervisory Board Member who will be able to accurately advise and supervise the Company’s management, with an emphasis on a high degree of specialization and abundant experience.

Directors’ compensation system

Since FY2022, the compensation for Directors of the Company consists of basic compensation (money), performance-linked evaluation compensation (money), and newly introduced performance-linked stock-based compensation using trust.

Effective from FY2026, we revised the composition of compensation to place greater emphasis on “performance-linked evaluation,” thereby enabling sound incentives to function more effectively. Specifically, the composition ratio of “basic compensation (money),” “performance-linked evaluation compensation (money),” and “performance-linked stock-based compensation” has been revised from 6:3:1 to 5:4:1. The performance-linked stock compensation plan was originally scheduled to cover the four-year period from FY2022 through FY2025. However, the applicable period has been extended by two years and now runs through FY2027.

Basic Policy (Fundamental concept)

Toward the realization of ISEKI’s goals/basic business philosophy of contributing to the creation of the prosperous and sustainable society through providing innovative products and higher quality of services to the customers, the management executives are responsible for “transforming” ISEKI Group, leading it to sustainable growth, and striving to improve its corporate value in the medium and long term. To fulfill such responsibilities, the basic policy of our Directors’ compensation is to adopt a system which can make the compensation function as a sound incentive, making it clear that compensation of management executives shall be linked to business results including shareholders’ value and medium- and long-term results.

Overview of compensation

Compensation	Method of provision	Percentage in total compensation (rough estimate)		Details
		(Internal) Directors	Outside Director	
Basic compensation	Money	50%	100%	Monthly pay an amount decided in consideration of job responsibility, etc. of each Director.
Performance-linked evaluation compensation	Money	40%	—	Annually pay an amount decided according to a level of performance indicator for each business year, as well as a degree of achievement of indices/targets, etc. set in advance for individual Directors based on management issues.
Performance-linked stock-based compensation	Shares of the Company	10%	—	Compensation based on a stock delivery trust system Deliver shares of the Company, in principle, upon Director’s retirement according to the number of points awarded to each Director each business year, based on the share delivery rules provided by the Board of Directors. A certain ratio of shares of the Company are sold in cash and provided as money.

The level of total compensation is determined in consideration of levels in the industry or other similar-sized companies.
A total amount of the basic compensation and the performance-linked evaluation compensation shall be within the range resolved at the 98th Ordinary General Meeting of Shareholders held on March 30, 2022 (no more than 360 million yen per year). The upper limit of the amount of the performance-linked stock-based compensation shall be within the range resolved at the 98th Ordinary General Meeting of Shareholders held on March 30, 2022 (148 million yen, maximum amount of total cash to be contributed by the Company as the fund to acquire shares of the Company necessary to deliver to Directors (excluding Outside Directors) during the coverage period of four years from the business year ended December 31, 2022 to the business year ending December 31, 2025) In addition, at the same General Meeting of Shareholders, it was also resolved that the Applicable Period may be extended by a period of up to five fiscal years determined each time by a decision of the Board of Directors of the Company. In this case, the Company may additionally contribute money up to an amount obtained by multiplying the number of fiscal years of the extended Applicable Period by 37 million yen, as funds to additionally acquire the Company’s shares necessary for delivery to Directors under the Plan during the extended Applicable Period. Based on the above, the maximum total amount of money to be contributed by the Company as funds to acquire the Company’s shares necessary for delivery to Directors (excluding Outside Directors) during the Applicable Period extended by two years from the fiscal year ending on the last day of December 2026 to the fiscal year ending on the last day of December 2027 by the decision of the Board of Directors of the Company is 74 million yen.

The compensation for individual Directors shall be finalized and resolved at a Board of Directors meeting based on reports from the Nomination and Compensation Committee after deliberation. The Committee is chaired by an Independent Outside Director and mainly composed of Independent Outside Directors. When details of compensation, etc. for individual Directors are determined, the Nomination and Compensation Committee considers multiple matters including consistency with the decision policy. Therefore, the Board of Directors basically respects the report and deems that the details are consistent with the decision policy.

Performance indicator

The performance indicator selected as the basis for calculating the performance-linked compensation is the consolidated operating margin of ISEKI Group for each fiscal year. The reason for selecting this performance indicator is to raise awareness of the need to improve performance for each fiscal year and to clearly demonstrate the core business performance in light of ISEKI Group’s business activities.

Audit & Supervisory Board Members’ compensation system (Reference)

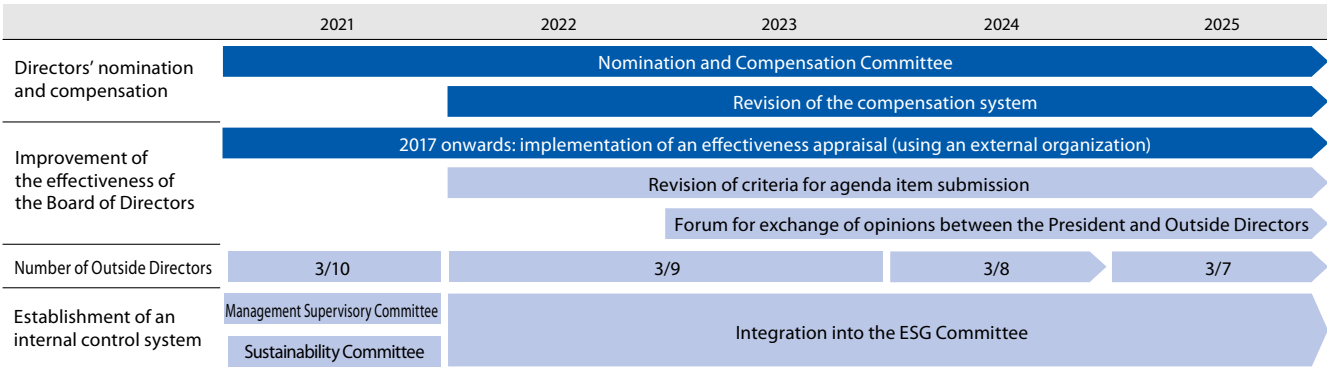
The upper limit of Audit & Supervisory Board Members’ compensation was resolved to be no more than 8 million yen per month at the 85th Ordinary General Meeting of Shareholders held on June 26, 2009. The compensation for individual Audit & Supervisory Board Members is determined through discussion among Audit & Supervisory Board Members.

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Corporate governance

History of governance reinforcement



Cross-Shareholdings

The Company holds shares in other companies that are deemed necessary for the purpose of contributing to the enhancement of the Company's medium- to long term corporate value through the maintenance and reinforcement of harmonious business relationships vital for the Company's business activities, which includes manufacturing and selling highly seasonal agricultural machinery. The Board of Directors also assesses the significance of holding the shares of each of these companies every year, including the benefits and risks associated with holding them, while taking into consideration the capital cost. If, as a result of the assessment, it is judged that the significance of holding the shares is weak, the shares are sold at an appropriate time.

Going forward, the Company will continue to reduce cross-shareholdings by confirming the significance of holding them with an awareness of the capital cost.

Criteria for the exercise of voting rights

The Company makes comprehensive decisions regarding the exercise of voting rights associated with each shareholding, based not only on the management policy and business status of the issuing company and whether exercising voting rights will lead to the enhancement of the Company's medium- to long-term corporate value, but also through dialogue and other communication with the issuing company, as necessary, concerning whether this would contribute to the common good of shareholders.

Toward the improvement of the effectiveness of the Board of Directors

To further enhance the effectiveness of the Board of Directors, ISEKI has implemented an effectiveness appraisal and analysis program for the Board of Directors since 2017.

Evaluation by a third-party organization

[Questionnaire]
All Directors and Audit & Supervisory Board Members

[Interview]
Representative Directors, Outside Directors, and certain Directors and Audit & Supervisory Board Members

Efforts for analysis of results and solution of issues

- Analysis of the results of questionnaires and interviews at a third-party organization
- Debriefing sessions by a third-party organization
- Based on deliberations at the Directors' Operation Committee, the Board of Directors discussed the evaluation results and the corresponding response policy
- Implementation of initiatives toward a solution

Main issues in FY2024	Initiative achievements in FY2025
Strengthening follow-up on the progress of the management plan by the Board of Directors and under Project Z	● Strengthening discussions and monitoring by the Board of Directors and under Project Z
Dissemination of Project Z Measures to all employees	● Explanation of Project Z by the President through employee communication and answers to questions from employees by officers ● Briefings for Group executives (4 times)
Enhancement of discussions on investment in human capital	● "Revision of personnel systems" ➡ Strategy discussion and discussion at the Board of Directors meeting ● "Future initiatives to improve well-being" ➡ Discussion at the Board of Directors meeting
Response to human rights and labor issues	● Implementation of deliberation at the working level

Evaluation result for FY2025

Based on the results of this evaluation, the effectiveness of the Board of Directors as a whole was found to have been generally ensured. In particular, the following areas received positive evaluations.

- Appropriate determination of matters to be deliberated by the Board of Directors
- Oversight of the nomination of director candidates through the Nomination and Compensation Committee, and the transparency and appropriateness of the remuneration determination process
- Exercise of management oversight functions by Outside Directors

At the same time, the Company recognizes the following as particularly important issues.

- Strengthening follow-up on the progress of the management plan
- Deepening discussions on business portfolio strategy
- Deepen discussions on the use of data and digital technologies
- Deepen discussions on human resources strategies and human capital
- Strengthen monitoring of potential risks
- Deepen discussions on responses to human rights and labor issues
- Strengthen involvement of the Board of Directors in fostering a sound corporate culture

Message from new Outside Director

Pursue the “balance of core technologies and advanced technologies” and create exclusive domains befitting a front-runner

My name is Abe, and I have recently been appointed as an outside director.

I joined Furukawa & Co. (currently Furukawa Co., Ltd.) in 1980, and was assigned to the design department of underground mining equipment (tunnel boring machines) at a manufacturing plant of rock drill products. At the time, the wave of technological innovation from “pneumatic to hydraulic” systems had finally reached the rock drill product lineup. Looking back, I remember having many unprecedented experiences as a member of the department and designing numerous models that would go on to become the foundation of our current core product lineup using nothing more than a drafter and a scientific calculator. After that, I moved between the sales and manufacturing divisions, serving in roles such as leading the implementation of the medium-term management plan, before becoming involved in the management of a company.

Technological capabilities and on-site capabilities are crucial to improving the corporate value of manufacturers. I think it is vital that we continue to take on the challenge of cultivating core technologies and implementing leading-edge technologies without fear of failure, while thoroughly managing technological risks with the wisdom and cooperation of the corporate divisions. In addition, as the scale of a company increases, there is a tendency for the distance between the development and manufacturing departments and the users to increase. However, I have always believed that, no matter what position I am in, I should keep honing the sense to thoroughly understand conditions on the frontlines and perceive users' wishes.

In general, the working environment is harsh, and the Company manufactures highly specialized industrial machinery that supports worksites where there are significant shortages in personnel. In addition, efforts are being made in overseas markets where the future is increasingly uncertain, including recent geopolitical risks. While always keeping in mind the immortal founding spirit of Kunisaburo Iseki, who founded the Company, and the contrast with the reality of rapid changes, I intend to monitor the business execution of ISEKI & Co., Ltd., with its long history, from an objective standpoint.

Hiroyuki Abe, Outside Director



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List of officers

Director			Corporate management/ Management strategy	Finance	Sales/ Marketing	Overseas businesses	Development and manufacturing	Compliance/ Legal affairs/Audit	ESG/ Sustainability	Personnel	IT/Data
	Shiro Tomiyasu Representative Director Chairman & Executive Officer Number of shares of the Company held 15,900 shares	Apr. 1980 Apr. 2011 Jun. 2015 Jan. 2016 Mar. 2016 Jan. 2017 Mar. 2019 Mar. 2026	Joined The Dai-ichi Kangyo Bank, Limited (currently Mizuho Bank, Ltd.) Managing Executive Officer, Mizuho Bank, Ltd. Advisor, Chuo Fudosan Co., Ltd. Advisor of the Company Director & Senior Corporate Executive Officer of the Company Assistant to the President Responsible for Corporate Planning Department Responsible for Public & Investor Relations Section Responsible for Personnel Department In charge of Financial Department Director & Vice President Executive Officer of the Company In charge of Corporate Planning Department and Public & Investor Relations Section Representative Director, President & Executive Officer of the Company Representative Director, Chairman & Executive Officer of the Company (to present)	●	●				●	●	
	Hajime Odagiri Representative Director President & Executive Officer Number of shares of the Company held 13,900 shares	Apr. 1987 Nov. 2008 Dec. 2010 Jun. 2014 Jan. 2016 Mar. 2016 Jul. 2018 Jan. 2019 Jan. 2020 Mar. 2020 Mar. 2022 Nov. 2023 Mar. 2026	Joined ISEKI & CO., LTD. General Manager, Vegetable Machinery Engineering Department of the Company Senior General Manager, Agri-Implements Department of the Company Iseki-Changzhou Mfg. Co., Ltd. Sales Branch Office President Corporate Officer and Deputy Division Manager, Business Division of the Company Representative Director & President, ISEKI Hokkaido Co., Ltd. Chairman & President, Dongfeng Iseki Agricultural Machinery Co., Ltd. Senior Corporate Officer of the Company General Division Manager, Development & Production Division of the Company Director & Senior Corporate Officer of the Company Representative Director & Senior Corporate Executive Officer of the Company Leader of "Project Z" of the Company (to present) Representative Director, President & Executive Officer of the Company (to present)	●		●	●		●		●
	Shuichi Jinno Director Senior Corporate Officer Number of shares of the Company held 13,100 shares	Apr. 1985 Apr. 2008 Dec. 2011 Oct. 2013 Jun. 2015 Mar. 2016 Jan. 2017 Dec. 2018 Apr. 2019 Jan. 2022 Aug. 2022 Jan. 2023 Mar. 2025 Jun. 2025	Joined ISEKI & CO., LTD. General Manager, Office Automation Department of the Company General Manager, Public & Investor Relations Section of the Company General Manager, Personnel Department of the Company Director & Corporate Officer of the Company In charge of Personnel Department In charge of Compliance In charge of Office Automation Department of the Company Deputy in charge of Compliance of the Company In charge of IT Planning Department of the Company Deputy in charge of Financial Department of the Company In charge of Finance, IT Planning, Operation Efficiency Improvement of the Company In charge of Finance, IT Planning of the Company Director & Senior Corporate Officer of the Company (to present) In charge of Personnel, IT Planning of the Company In charge of Personnel, IT Planning, and Secretary of the Company (to present)		●			●		●	●
	Kazuya Tani Director Senior Corporate Officer Number of shares of the Company held 8,400 shares	Apr. 1992 Apr. 2009 Jan. 2015 Oct. 2017 Jan. 2020 Mar. 2020 Jan. 2024 Mar. 2025	Joined ISEKI & CO., LTD. Representative Director & President, N.V. ISEKI EUROPE S.A. Representative Director & President, ISEKI France S.A.S. General Manager, Overseas Business Control Department and General Manager, Europe Sales & Marketing Department of the Company Corporate Officer of the Company General Division Manager, Overseas Business Division Director & Corporate Officer of the Company Director & Senior Corporate Officer of the Company (to present) In charge of Corporate Planning, Public & Investor Relations, and Finance of the Company (to present)	●	●	●	●		●		

● Skill Matrix (Definitions of Skills)

Field of experience and expertise (skills)	Definitions of skills
Corporate management/Management strategy	Experience as president or equivalent experience, business experience in corporate planning
Finance	Qualified as a certified public accountant, business experience in financial institutions and accounting departments
Sales/Marketing	Business experience and specialized knowledge related to sales and marketing
Overseas businesses	Experience in overseas assignment and overseas business
Development and manufacturing	Business experience and specialized knowledge related to technology, production, and quality
Compliance/Legal affairs/Audit	Qualified as an attorney-at-law, experience of Audit & Supervisory Board Member, business experience in legal affairs division and internal audit division
ESG/Sustainability	Business experience and specialized knowledge related to ESG/Sustainability
Personnel	Business experience and specialized knowledge in personnel, labor, and human resource development
IT/Data	Business experience and specialized knowledge related to IT and systems

(As of June 30, 2026)

Outside Director			Corporate management/ Management strategy	Finance	Sales/ Marketing	Overseas businesses	Development and manufacturing	Compliance/ Legal affairs/Audit	ESG/ Sustainability	Personnel	IT/Data
	Atsushi Iwasaki Director [Significant concurrent positions] Certified public accountant, Nippon Kayaku Co., Ltd. Outside Audit & Supervisory Board Member AIR WATER INC. Outside Audit & Supervisory Board Member Number of shares of the Company held 0 shares Outside Independent	Nov. 1990 Mar. 1991 Mar. 1997 Aug. 2005 Sep. 2005 Jun. 2013 Jun. 2015 Jun. 2016 Jun. 2019 Jun. 2024 Jun. 2026	Joined Century Audit Corporation (currently Ernst & Young ShinNihon LLC) Registered as a certified public accountant Registered as a real estate appraiser Retired from Shin Nihon & Co. (currently Ernst & Young ShinNihon LLC) President, Iwasaki Certified Public Accountant Office (to present) Director of the Company (to present) Outside Audit & Supervisory Board Member, NH Foods Ltd. Outside Audit & Supervisory Board Member, OLYMPUS CORPORATION Outside Director, NH Foods Ltd. Outside Director, OLYMPUS CORPORATION Outside Audit & Supervisory Board Member, Nippon Kayaku Co., Ltd. (to present) Outside Audit & Supervisory Board Member, AIR WATER INC. (to present)	●	●			●	●		
	Eiko Kisogawa Director [Significant concurrent positions] MARUBUN CORPORATION Outside Director (Member of the Audit & Supervisory Committee) Number of shares of the Company held 0 shares Outside Independent	Apr. 1984 Apr. 2004 Jan. 2010 Jan. 2011 Jan. 2012 Jan. 2013 Jan. 2016 Jan. 2018 Jan. 2021 Jun. 2023 Mar. 2024 Jan. 2025 Mar. 2026	Joined American Family Life Assurance Company of Columbus (currently Aflac Life Insurance Japan Ltd.) General Manager of Operations Division of American Family Life Assurance Company of Columbus General Manager of Administration Planning Department 2 of American Family Life Assurance Company of Columbus General Manager of Policy Maintenance Department of American Family Life Assurance Company of Columbus Vice President of Policy Maintenance Department, Premium Accounting Department 1 and Premium Accounting Department 2 of American Family Life Assurance Company of Columbus Vice President of Corporate Value Enhancement Program of American Family Life Assurance Company of Columbus President Chief Executive Officer of Aflac Payment Services Co., Ltd. American Family Life Assurance Company of Columbus Vice President of Administration Management Department and Customer Services Promotion Department Corporate Adviser of Aflac Life Insurance Japan Ltd. Outside Director (Member of the Audit & Supervisory Committee), MARUBUN CORPORATION (to present) Director of the Company (to present) Vice Chairperson of Gold Ribbon Network Foundation Director of Gold Ribbon Network Foundation (to present)	●				●	●		●
	Fumiko Kishimoto Director [Significant concurrent positions] Attorney, Outside Director, NIHON DENGI CO., LTD. (Member of the Audit & Supervisory Committee) Number of shares of the Company held 0 shares Outside Independent	Apr. 1998 Mar. 2000 Apr. 2000 Jun. 2019 Sep. 2021 Mar. 2024	Entered the Legal Training and Research Institute, Supreme Court of Japan Graduated from the Legal Training and Research Institute, Supreme Court of Japan Registered as an attorney (Joined Tokyo Bar Association) Joined Azusa Sogo Law Office NIHON DENGI CO., LTD. Outside Director (Audit and Supervisory Committee Member), (to present) Representative, Azusa Sogo Law Office (to present) Director of the Company (to present)					●	●		
	Hiroyuki Abe Director [Significant concurrent positions] Technical Advisor ST Protics Co., Ltd., Chairman, Construction Environment Committee, Japan Tunnel Contractors Association Number of shares of the Company held 0 shares Outside Independent	Apr. 1980 Mar. 2005 Jun. 2012 Jun. 2014 Jun. 2015 Jun. 2017 Jun. 2019 Jun. 2021 Jul. 2023 Apr. 2024 Mar. 2026	Joined Furukawa & Co. (currently Furukawa Co., Ltd.) Furukawa Rock Drill Co., Ltd. General Manager, Development and Design Department Director and General Manager of the Special Machinery Department, Sales Headquarters of Furukawa Rock Drill Co., Ltd. Senior Managing Director and General Manager of the Production Division of Furukawa Rock Drill Co., Ltd. Executive Officer of Furukawa Co., Ltd. Director and Vice President of Furukawa Rock Drill Co., Ltd. Senior Executive Officer of Furukawa Co., Ltd. Director and Vice President of Furukawa Rock Drill Co., Ltd. Managing Executive Officer of Furukawa Co., Ltd. Representative Director & President of Furukawa Rock Drill Co., Ltd. Corporate Auditor of Furukawa Co., Ltd. Technical Advisor of Nippo Co., Ltd. (currently ST Protics) (to present) Chairman, Construction Environment Committee, Japan Tunnel Contractors Association (to present) Director of the Company (to present)	●	●		●	●			

*The Skill Matrix does not represent all knowledge held by each officer. *The number of shares held is as of December 31, 2025.

Audit & Supervisory Board Members

	Yasuji Fujita Outside Full-time Audit & Supervisory Board Member Reason for appointment He has extensive experience and a wide range of insight including expertise in finance cultivated through his many years of work at a financial institution. Accordingly, as the Company believed that he would appropriately audit the performance of duties by Directors, he has been appointed as Outside Audit & Supervisory Board Member.		Kentaro Morimoto Outside Full-time Audit & Supervisory Board Member Reason for appointment He has a wide range of insight, including extensive experience and expertise in finance and agriculture, forestry and fisheries in general, cultivated through his many years of work at a financial institution. Accordingly, as the Company believed that he would appropriately audit the performance of duties by Directors, he has been appointed as Outside Audit & Supervisory Board Member.
	Kazuma Takahashi Full-time Audit & Supervisory Board Member Reason for appointment He has extensive experience and knowledge cultivated by being engaged in corporate planning, finance, and development & production related departments for many years. Accordingly, as the Company believed that he would appropriately audit the performance of duties by Directors, he has been appointed as Audit & Supervisory Board Member.		Yasuko Yamashita Outside Independent Audit & Supervisory Board Members Reason for appointment She has professional experience and extensive knowledge related to finance and accounting as a certified public accountant and a judicial scrivener, and also has experience of working as a consultant on projects related to internal control and improving operational efficiency for other companies. Accordingly, as the Company believed that she would appropriately audit the performance of duties by Directors, she has been appointed as Outside Audit & Supervisory Board Member. [Significant concurrent positions] Certified public accountant, Judicial scrivener

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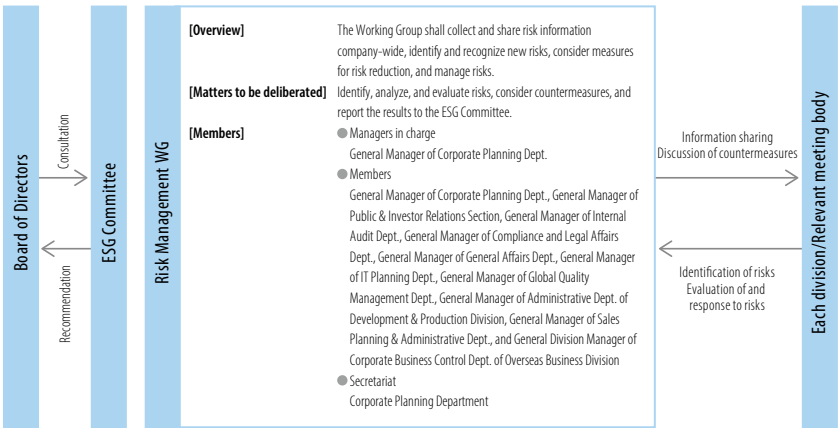
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Risk management

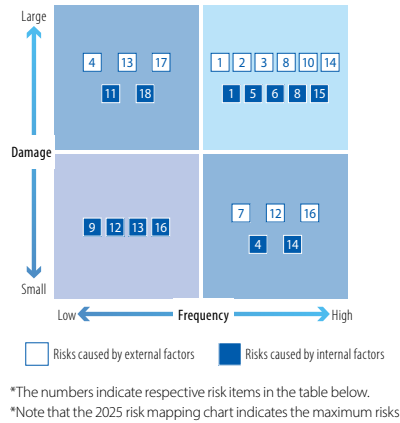
Basic Policy (Fundamental concept)

The Group defines risks as factors that may affect the Group's business activities, such as physical, economic, or credit losses or disadvantages. The Group works to prevent latent risks from materializing and minimize losses if they materialize, and manages and responds to risks in a way that contributes to the smooth operation of business, the preservation of assets, and the maintenance of corporate credit.

Risk management system diagram



Risk mapping



Representative risks and mitigation measures

Major risks that could affect the Group's future financial performance are as shown below. The Group identifies risks and recognizes potential risks, and strives to take appropriate measures to prevent them from materializing and take measures to mitigate them if they materialize.

Risk item	Risk description	Response to risks	YoY change
1 Changes in economic conditions and the environment of agriculture	- Decrease in domestic demand for agricultural machinery - Aging of farm workers - Decrease in number of farm households due to labor shortage - Impact of agricultural policy changes by the government - Weakening of purchasing sentiment due to price volatility of agricultural products, economic downturn, etc.	- Project Z Deepening domestic sales - Divide prefecture-based sales areas into blocks and optimally allocate business bases and personnel within the blocks - Establish core bases within the blocks to deal with large-scale farmers - Establish ISEKI Japan by integrating nationwide sales companies, and build a framework for efficient management, concentration of management resources, prompt decision-making, and powerful promotion - Project Z Growth strategy - Concentrate on the growth areas symbolized by the keywords: "large," "cutting-edge," "field crops," and "environment," and strengthen sales - Establish the Large-scale Planning Section in ISEKI Japan - Provide products and services to meet the growing large-scale agricultural needs - Expand sales channels to non-agri markets and develop the mowing business	➔
2 Exchange rate fluctuations	- Appreciation of Japanese yen resulting in decreased price competitiveness of export products - Influence of exchange rate fluctuations in converting financial statements of our foreign subsidiaries to Japanese yen	- Conduct export transactions in both foreign currencies and Japanese yen - Procure raw materials and parts from overseas - Mitigate short-term risks by taking advantage of buying forward contracts	➔
3 Soaring raw material prices, difficulty in procurement, and supply chain disruptions	- Risks associated with procurement from suppliers - Higher manufacturing costs due to rapid increases in procurement prices, etc. - Decreased production caused by prolonged tightening of supplies - Undermined trust in and reputation of our products caused by supplied goods - Risk of delayed shipment in shipment and transportation of products - Shortage of shipping containers and trucks	- Pass on soaring raw material prices to product prices - Use multiple suppliers in both procurement and shipment, and ensure multiple transportation means, etc. - Order early and secure sufficient inventories when the supply of parts, etc. are expected to be delayed - Conduct supplier credit checks, as well as CSR questionnaires that include items on respect for human rights - Optimize transportation means such as truck, vessel, and railroad containers and shorten freight waiting time - Review of logistics bases and transportation methods in line with changes in production bases	➔
4 Dependency on specific customers or suppliers	Change of business policy, business depression or bankruptcy of our specific customers or suppliers	- Keep stable partnership and sustain sound partnership through the following measures - Communicate regularly with suppliers - Strengthen top-level relationship	➔
5 Competition with other companies	- Risk of losing competitive advantage against competitors in obtaining intellectual property in Japan and competing in other matters - Develop products with high functionality and in compliance with smart agriculture - Price reductions, etc. in response to needs to reduce agricultural material costs - Risk of losing competitive advantage in responding to changes in the business environment, including diversifying needs and increasing environmental awareness in overseas countries	- Increase value added and acquire intellectual property in Japan - Propose solutions along with selling products - Increase future-oriented development themes, such as ICT, automation, and other themes related to smart agriculture, as well as themes that contribute to carbon neutrality - Increase presence in overseas markets - Sale of electrification products for the European market - Supply large-sized machinery and products equipped with cutting-edge technology to East Asia, where markets are similar to those in Japan	➔
6 Serious nonconformities or defects in products and services	- Claim for a large amount of damages, etc. caused by our services or products developed and manufactured by the Company - Occurrence of material nonconformity or defects - Loss of trust in the Group and the Company's products	- Establish quality control and quality guarantee systems to offer products that satisfy customers - For commercialization, design reviews (DRs) are conducted in each development/production process, with strict operation based on officers' judgments on whether each transition may proceed. - Reorganized the Group's quality check system (established the Global Quality Management Dept.) - Carry product liability insurance, etc.	➔
7 Changes in the value of securities held	Impairment loss in the event of a significant decline in share price or market value. Occurrence of loss on valuation or loss on sale, etc.	Reassess the significance of cross-holding of shares every year at the Board of Directors' meetings, including the risks and benefits of holding each stock, and conducts appropriate sales of cross-holding shares that have lost their significance	➔

Risk item	Risk description	Response to risks	YoY change
8 Price decline in land and other fixed assets	Impairment losses on fixed assets, etc. held by the Group caused by a decline in profitability due to significant deterioration of the business environment, declines in market prices, etc.	- Project Z Fundamental structural reforms Production optimization - Operational efficiency improvement and cost reduction through integrating factories (Matsuyama and Kumamoto) in line with the restructuring of production bases and model lines - Streamline and level production by integrating production of the Company's products with high seasonality, reduce inventories, and operate them efficiently - Project Z Fundamental structural reform: Deepen domestic sales and integrate domestic sales companies to: - Streamline indirect operations - Centralize stock management for greater efficiency - Optimize stock bases and reform logistics systems to reduce logistics costs	➔
9 Government regulations on environmental issues, etc., and occurrence of related difficulties	- Cost burdens in case of escalated public regulations of environmental issues or market demand in Japan and overseas - Correctional measures undertaken against environmental issues, lawsuits, and other troubles	- Reduction of environmental impact - Production: Monitor regulated substances and other data on environmental burden, and engage in production activities that contribute to the reduction of environmental burden - Non-production: Develop products that comply with environmental regulations in Japan and overseas, promote sales of "eco-products" that contribute to reducing environmental impacts, expand the lineup of agricultural machinery equipped with variable fertilization functions through sensing data, and provide merchandise that contributes to the introduction of organic agriculture that suppresses weeds without using agricultural chemicals.	➔
10 Risks derived from international business	- Risk of hampered product supply due to restrictions on the supply chain and production and sales activities - Unexpected changes in each country's tax systems, laws and regulations, and trade policies - Tensions over Taiwan, conflict in Ukraine, Middle East region, etc. - Risks that hinder business development mainly in Asia - Underdeveloped level of technologies - Unstable labor-management relationships	- Collect and analyze the following information from local subsidiaries and share and review such information with associated companies - Each country's employment situation, as well as changes in their tax systems, laws and regulations, and trade policies - Media coverage and government directives concerning geopolitical risks - Review operation forms and supply chains as necessary, based on the information obtained through the above channels and the results of analysis of such information	➔
11 Risk of legal violation	- Risks that may affect the Group's business performance and financial position in the event that it receives administrative guidance, etc. from government agencies due to deficiencies in business operations. - Loss of ISEKI Group's credibility and impediment to its business activities if any of executives or employees of the Group should conduct any acts that violate laws and regulations	- Ensure compliance - Strengthen the Group's three-line system in accordance with the integration and restructuring of Group subsidiaries - Thoroughly implement the "ISEKI Group Code of Ethical Behavior" - Ensure overall management by Director in charge of Compliance - Group-wide restructuring of the system - Thorough compliance with the Act on Optimization of Consigned Transactions with Small and Medium Sized Enterprises - Holding compliance WG meetings - Promote measures such as in-house education and monitoring - Establish the group-wide whistle-blower system (Ethical Hotline), which includes not only internal help desks but also an external third-party contact independent of management	➔
12 Risk of natural disasters, unexpected accidents, spread of infectious disease, etc.	- Risks that directly or indirectly affect ISEKI Group's business activities - Natural disasters including earthquakes, typhoons, and floods - Unexpected accidents - Outbreak of infectious diseases	- Take measures to prepare for natural disaster or contingency - Take out various insurance against fire, wind and flood damage - Implement seismic retrofitting and strengthen cooperation with our suppliers - Prepare a business continuity plan including support and alternative ways to carry on with important operations - Establish a response headquarters led by the President, etc., collect information, and give instructions promptly, if a contingency occurs - Adopt flexible workstyles, such as working from home and staggered attendance, and operate meetings and events using the Web	➔
13 Business alliances, joint ventures and strategic investment with other companies	- Risk of the occurrence of a conflict of interest between the parties concerned in business alliances or joint ventures, hindering the maintenance of the alliances - Risk of not obtaining the expected results and/or effects or needing more-than-expected time and expenses with regard to strategic investment including acquisitions	- Ensure close cooperation at each level, from the top management to the working level - Discuss in proceeding with business alliances, investment, and lending - Deliberate and discuss at the Board of Directors and Directors' Operation Committee meetings - Deliberation and monitoring by investment management committee - Discuss measures to minimize the financial impact when intended effects are considered unlikely to be achieved	➔
14 Debt	- Increased borrowing costs due to a hike in interest rate - Increase in inventories, restructuring of production bases and models, and increase in borrowings due to capital investments to optimize production for the future - Obligation to pay back loans early if financial covenants in contracts with financial institutions are triggered	- Reduce interest-bearing debt - Enhance the capability to create cash flows by improving profitability and reducing inventories - Securitize receivables as one means of diversifying financing methods - Reduce inventories through efficient stock management following management integration of wide-area sales subsidiaries in Japan - Set a certain standard (hurdle rate) for capital investment, and make investments that generate returns exceeding the standard - Prepare for rapid fluctuation of interest rates - Combine various loan conditions such as fixed interest rates	➔
15 Ensuring of human resources, shortage of human resources	Decrease in the Group's competitiveness due to failure in securing and developing human resources necessary for business	- Improve engagement, including the reform of the personnel system in line with "Project Z" measures and the improvement of working conditions - Recruit and develop human resources - Strengthen mid-career recruitment and utilize referral recruitment and a return-to-job system - Strengthen programs to develop global talent, human resources for DX, etc., in line with business strategy - Provide career development support that respects employees' wishes through the Group's internal open recruitment system - Create a sound, employee-friendly workplace environment - Enhance employee engagement by using the talent management system	➔
16 Information security	- Stagnation of operations and decline in credibility due to information leakage or system halt, etc. caused by the following incidents - Unauthorized access due to cyberattack - Computer virus infection	- Continuously improve the information security management system - Establish management regulations (electronic information security, management of information infrastructure, handling of personal data) - Strengthen security measures - Use a service that monitors unauthorized external access - Obtain cyber insurance to prepare for contingencies - Periodic training on the handling of personal information	➔
17 Climate change	- Scenario where temperature rise is limited to below 2°C - Increase in operation costs due to stricter regulations imposed by the government, etc. towards decarbonization - Increase in procurement costs due to the progress in decarbonization - Loss of business opportunities due to failure to meet the demand associated with decarbonization - Scenario where temperature rise is 4°C - Impact of damage to production and sales bases, including supply chains, due to intensifying typhoon and flood damage - Decrease in demand for agricultural machinery for rice farming, in response to deterioration in rice quality and decline in the area of land available for rice production	- Take the following measures under the 2°C scenario [Impact reduction] - Utilization of renewable energy such as solar power generation and fuel conversion to liquefied natural gas (LNG) - Power boilers with waste heat from in-house power generation facilities - Investment decisions reflecting the viewpoints of energy efficiency and decarbonization by introducing internal carbon pricing (ICP) <Creation of business opportunities> Electrification of agricultural machinery - Promote the introduction of smart agricultural machinery and robotic agricultural machinery that improve the efficiency of farm work - Promote farming methods that contribute to the reduction of methane emissions from rice paddies - Proposing solutions for environmentally sound agriculture that do not use chemical fertilizers and agricultural chemicals - Business alliances with other companies regarding J-Credit initiatives - Take the following measures under the 4°C scenario [Impact reduction] - Continuously review business continuity plans - Review product lineup and sales channels <Creation of business opportunities> Introduce technology to replace agricultural work with robotic agricultural machinery - Perform autonomous analysis of weather data and growth data using AI	➔
18 Recoverability of deferred tax assets	Risks that a decrease in deferred tax assets due to a change in the major assumptions that form the basis of the business plan, tax reform, or other factors may have an impact on the Group's performance and financial position	- Assessment of recoverability of deferred tax assets - Careful consideration of the feasibility of the business plan used as the basis and reasonable estimation of taxable income - Identification of signs of deterioration in business performance by the Directors' Operation Committee, etc. and review of recoverability in a timely manner - Collection of information on tax reform and advice from experts	➔

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Compliance

Basic Policy (Fundamental concept)

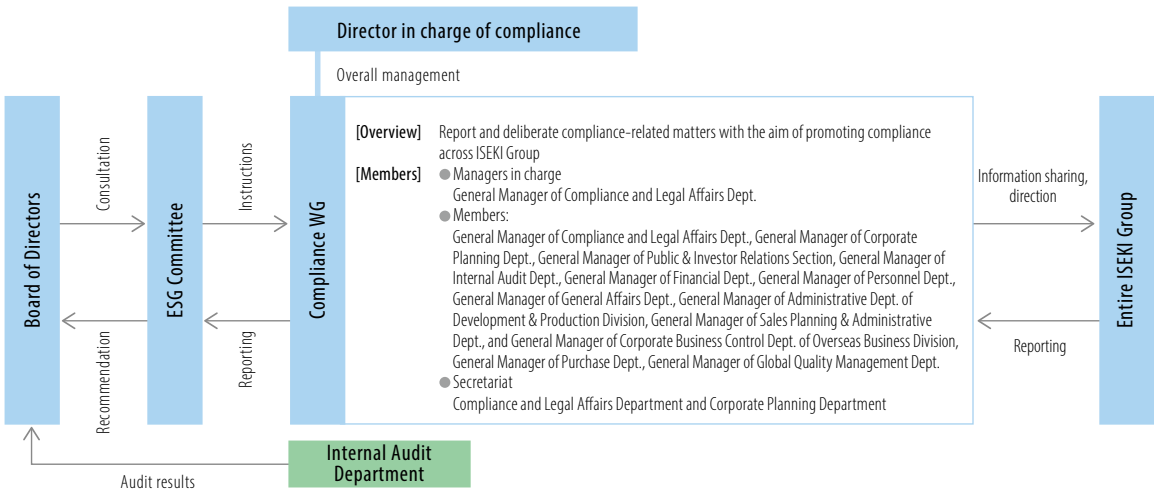
- ISEKI Group will fulfill its responsibilities as a member of society and promote healthy and transparent management.

Compliance system

In accordance with the basic internal control policy, ISEKI Group has established a compliance system based on the ISEKI Group Code of Ethical Behavior and Ethical Code.

ISEKI Group ensures thorough implementation of matters concerning compliance under the leadership of the Compliance Working Group (WG), which consists of departments in charge of the overall management of each division. The Director in charge of Compliance is responsible for the overall management of the WG. The Compliance and Legal Affairs Department is responsible for ensuring that Group employees maintain and enhance awareness

toward ethics, and promoting overall compliance activities. The Department also administers the Compliance WG as the Secretariat. Monthly reports on compliance activities are made to the ESG Committee, which is comprised of Directors and Corporate Officers and chaired by an Independent Outside Director. In addition, the Internal Audit Department audits the status of compliance activities and reports the results to the Board of Directors, the President and Representative Director, Outside Directors, and Audit & Supervisory Board Members.



Activities for compliance training and enlightenment

To raise awareness of each individual employee toward compliance, ISEKI Group is implementing various training programs and enlightenment activities for employees in a planned way.

Activities for enlightenment

<Activities for compliance penetration and enlightenment>

- Thorough implementation of the “ISEKI Group Code of Ethical Behavior”**

The ISEKI Group has established the “ISEKI Group Code of Ethical Behavior,” which defines the rules to be followed by all employees in their daily work. These rules are distributed to all employees to ensure that all employees act in accordance with corporate ethics.
- Awareness-raising by issuing “Compliance News”**

The Company issues the quarterly “Compliance News” bulletin. With a focus on priority compliance initiatives, it contains information such as messages from the management team and examples of practical measures undertaken by employees. We thus work to raise compliance awareness among employees.

Training activities

Every year, the Company carries out a wide range of training programs concerning compliance themes in the day-to-day conduct of business affairs, especially on points warranting special attention.

Incorporation into company-wide events and rank-based training programs	
Training name	Target
Rank-based training programs	Employees of each rank
Manager meetings	Managers of affiliated companies
Training by theme	
Training name	Target
Training related to whistle-blower system	All employees
Harassment (abuse of authority) prevention	All employees
Personal information protection	All employees
Basic training for the Subcontract Act	All employees
Response to anti-social forces	All employees
Basic training on Freelance Act	All employees

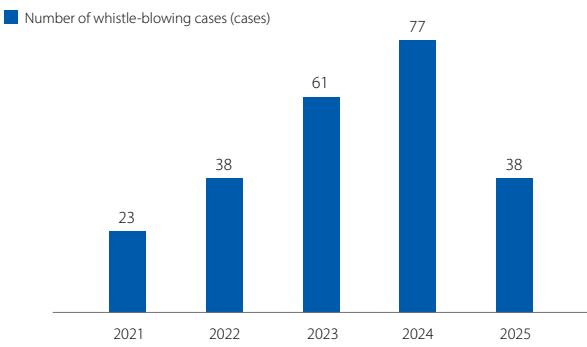
Examples of initiatives undertaken

Whistle-blower system

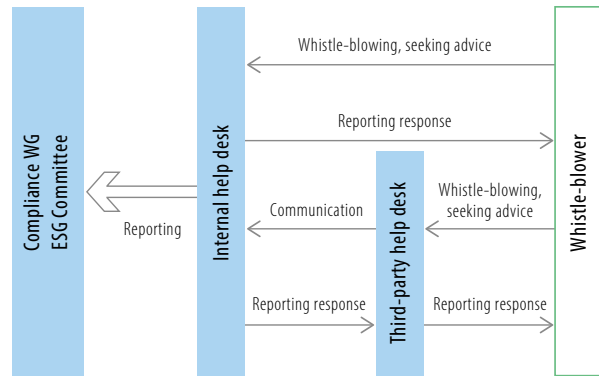
ISEKI Group has a group-wide whistle-blower system (Ethical Hotline) for the use of all employees, retirees and suppliers. The aim is to enable early detection of problems within the Company and to minimize the impact of corporate crises arising from misconduct and other improper acts. In addition to an internal help desk established in the Compliance and Legal Affairs Department, an external third-party help desk independent from management executives has been set up, in light of the purposes of the Corporate Governance Code. The third-party help desk provides support in multiple languages including not only Japanese, but also English, Chinese, Thai, and Indonesian.

In addition, the whistleblowing system is regularly communicated to all employees. In 2025, there were 38 reports. The Group responded to these cases while giving due consideration to the protection of the whistle-blowers and the privacy of the parties involved, and reported their summaries to the ESG Committee.

Number of whistle-blowing cases



Whistle-blower system diagram



Initiatives for prevention of corruption

ISEKI Group has established the Basic Rules on the Prevention of Bribery Involving Foreign Public Officers, etc. to prevent corruption involving foreign public officers, etc. and ensure fair transactions. We work to ensure thorough compliance with the Rules mainly at overseas bases and overseas Group companies. To date, the Group has been subject to no legal action due to corrupt practices.

Initiatives to eliminate anti-social forces

ISEKI Group sets out “severing ties with anti-social forces and organizations” in the “ISEKI Group Code of Ethical Behavior,” stipulates that it will have no relationship whatsoever with them, and thoroughly communicates this policy to all employees. To fulfill our social responsibilities for ensuring sound business operations and eliminating anti-social forces, we have established the Rules for Response to Anti-Social Forces. Under the leadership of Representative Directors, we are working on the creation and enhancement of relevant internal systems in cooperation with external specialized institutions. Furthermore, we set out specific procedures in the Anti-Social Forces Response Manual and offer continuous in-house education programs to ensure that our officers and employees can respond properly to anti-social forces.

Initiatives for fair trade

The ISEKI Group upholds “fair relationships with business partners” in the “ISEKI Group Code of Ethical Behavior,” and makes efforts to thoroughly ensure fair transactions through the formulation of action guidelines and manuals regarding compliance with the Antimonopoly Act, in addition to thorough enforcement of the same among employees.

For details of measures to prevent recurrence of such an event in response to the recommendation issued by the Japan Fair Trade Commission on May 9, 2025 in accordance with the Subcontract Act (currently the Act on Optimization of Consigned Transactions with Small and Medium Sized Enterprises), please see “Initiatives to ensure fair business practices” (page 57).

Initiatives for protecting personal information

To ensure proper handling of personal information, ISEKI Group has established and published the “Personal Information Protection Policy.” In addition, we strive to ensure the proper management of personal information by handling personal information in accordance with the Personal Information Handling Regulations, establishing appropriate security control measures, and ensuring compliance with those regulations through regular education and awareness activities for officers and employees. Going forward, we will recognize the importance of the protection of personal information and respect the rights and interests of individuals in both in Japan and abroad by ensuring the proper handling of personal information.

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Consolidated financial summary (Millions of yen)

	92nd FY*1 (Dec. 2015)	93rd FY (Dec. 2016)	94th FY (Dec. 2017)	95th FY (Dec. 2018)			96th FY (Dec. 2019)	97th FY (Dec. 2020)	98th FY (Dec. 2021)	99th FY (Dec. 2022)	100th FY (Dec. 2023)	101st FY (Dec. 2024)	102nd FY (Dec. 2025)
Results of Operations													
Domestic sales	122,508	121,041	123,136	122,812			117,717	115,907	117,396	112,638	113,060	113,031	129,452
Overseas sales	22,701	32,055	35,245	33,143			32,181	33,397	40,795	53,991	56,855	55,394	56,318
Net sales	145,210	153,097	158,382	155,955			149,899	149,304	158,192	166,629	169,916	168,425	185,770
Gross profit	40,711	44,852	46,206	45,945			44,507	43,476	46,841	49,890	50,359	50,648	55,666
Operating income	460	2,469	3,953	3,179			2,745	2,084	4,147	3,534	2,253	1,920	4,225
Ordinary income	947	1,635	4,250	2,629			1,108	1,702	4,687	3,762	2,092	1,577	4,119
Profit (loss) attributable to owners of parent	(1,465)	858	2,807	1,090			723	(5,641)	3,196	4,119	29	(3,022)	2,757
Financial Position (at the end of the fiscal year)													
Cash and deposits	8,788	13,936	7,981	7,475			8,404	10,787	14,850	10,749	9,901	8,200	12,891
Notes and accounts receivable – trade	24,895	24,911	25,113	23,327			19,675	21,780	21,537	27,574	26,917	25,435	26,494
Inventories	47,816	49,316	53,406	53,719			54,179	51,847	49,871	65,331	72,842	66,937	57,742
Other	5,271	4,769	5,249	7,269			4,900	5,564	4,843	5,758	5,660	5,045	5,303
Total current assets	86,771	92,934	91,751	91,791			87,159	89,979	91,103	109,414	115,322	105,618	102,431
Property, plant and equipment	96,911	96,466	95,592	96,842			98,346	86,287	84,962	83,919	84,553	81,396	83,645
Intangible assets	1,134	1,062	1,025	1,082			1,288	1,967	2,290	2,309	2,489	2,975	3,970
Investments and other assets	16,331	12,893	12,978	11,440			10,717	9,193	9,328	10,848	14,737	16,141	19,428
Total non-current assets	114,377	110,422	109,596	109,365			110,352	97,449	96,581	97,076	101,780	100,513	107,044
Total assets	201,149	203,356	201,348	201,156			197,511	187,428	187,684	206,491	217,102	206,132	209,475
Notes and accounts payable – trade	40,004	42,421	40,673	39,736			37,752	36,872	39,279	45,500	41,734	25,254	26,923
Short-term loans payable (including current portion of long-term loans payable)	33,030	33,593	35,220	42,877			39,351	37,460	30,210	40,291	40,642	44,844	38,097
Other	14,482	13,433	13,750	12,979			12,630	11,814	11,852	12,397	13,088	23,079	31,901
Total current liabilities	87,518	89,447	89,644	95,593			89,735	86,147	81,342	98,189	95,465	93,178	96,922
Long-term loans payable	23,703	27,788	24,354	20,571			21,525	24,114	24,728	20,811	29,167	23,266	16,898
Net defined benefit liability	4,806	4,491	3,312	4,063			3,059	3,144	2,912	3,244	6,207	5,795	4,809
Deferred tax liabilities for land revaluation	6,074	5,790	5,780	5,780			5,759	4,097	4,097	4,097	4,097	4,003	4,122
Other	10,946	8,687	7,339	6,188			8,180	7,504	8,042	7,802	7,948	8,050	8,294
Total non-current liabilities	45,532	46,757	40,787	36,603			38,524	38,861	39,780	35,956	47,420	41,116	34,124
Total liabilities	133,050	136,205	130,432	132,197			128,259	125,009	121,123	134,146	142,886	134,294	131,046
Shareholders' equity	49,325	49,842	52,330	52,746			52,840	50,346	53,567	57,023	56,367	52,653	54,973
Accumulated other comprehensive income	17,055	15,588	16,833	14,454			14,641	10,310	11,201	10,978	12,955	14,914	18,814
Subscription rights to shares and non-controlling interests	1,718	1,720	1,752	1,759			1,770	1,762	1,792	4,342	4,892	4,269	4,639
Total net assets	68,099	67,151	70,916	68,959			69,252	62,419	66,561	72,345	74,215	71,837	78,428
Total liabilities and net assets	201,149	203,356	201,348	201,156			197,511	187,428	187,684	206,491	217,102	206,132	209,475
Cash flows													
Cash flows from operating activities	10,830	8,283	3,308	7,616			10,509	9,694	14,233	(3,375)	(2,459)	8,825	23,456
Cash flows from investing activities	(5,757)	(5,736)	(5,273)	(9,944)			(7,104)	(5,167)	(2,039)	(2,984)	(5,416)	(5,843)	(4,442)
Free cash flows	5,072	2,547	(1,965)	(2,327)			3,404	4,526	12,194	(6,360)	(7,875)	2,982	19,013
Cash flows from financing activities	(2,943)	2,621	(4,294)	1,970			(2,396)	(2,179)	(8,338)	2,033	6,722	(5,099)	(15,132)
Net increase (decrease) in cash and cash equivalents	2,190	5,147	(6,113)	(408)			981	2,383	4,048	(4,101)	(848)	(1,700)	4,125
Information Per Share (Yen)*2													
Net assets	2,938.7	2,896.8	3,061.8	2,974.8			2,987.2	2,683.1	2,864.5	3,006.7	3,065.1	2,986.8	3,260.9
Profit (loss)	(64.9)	38.0	124.3	48.3			32.0	(249.6)	141.4	182.1	1.3	(133.6)	121.9
Cash dividends	15.0	15.0	30.0	30.0			30.0	—	30.0	30.0	30.0	30.0	40.0
Management Indicators													
Equity ratio (%)	33.0	32.2	34.4	33.4			34.2	32.4	34.5	32.9	31.9	32.8	35.2
ROE (%)*3	(2.2)	1.3	4.2	1.6			1.1	(8.8)	5.1	6.2	0.0	(4.4)	3.9
CCC (days)*4	89.9	82.6	99.3	101.0			104.8	104.9	84.4	122.4	152.8	184.3	138.5
D/E ratio (times)*5	0.97	1.03	0.94	1.01			1.00	1.11	0.93	0.94	1.04	1.05	0.79

*1 Due to a change of the accounting period, the fiscal year ended December 31, 2015 covered nine months from April 2015 to December 2015.

*2 Effective July 1, 2017, the Company conducted a 1-for-10 reverse stock split of common stock. Per share information is stated as adjusted figures after the reverse stock split.

*3 ROE (Return on equity) = Profit/(Equity at the beginning of the fiscal year + Equity at the end of the fiscal year)/2

*4 CCC (Cash conversion cycle) = Days sales outstanding + Days of inventory outstanding + Days payable outstanding

*5 D/E ratio = Interest-bearing debt/Net assets

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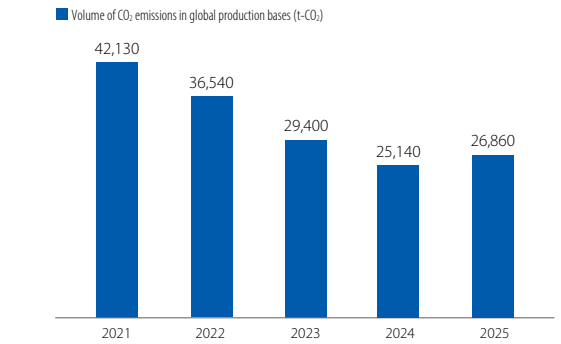
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Non-financial highlights (FY2025)

Volume of energy-generated CO₂ emissions in production Environment

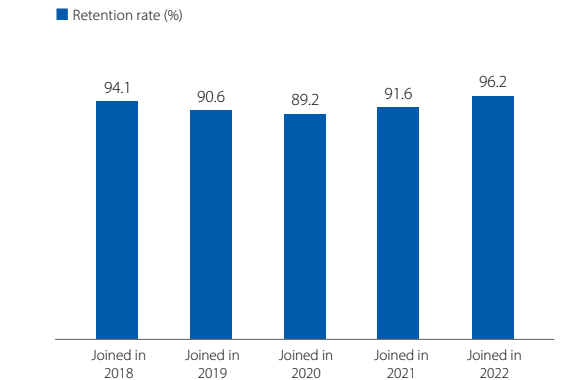
We are working to reduce CO₂ emission volumes in our production activities to create a decarbonized society.



*Japan: ISEKI M&D CO.,LTD. (Matsuyama), ISEKI M&D CO.,LTD.(Kumamoto), ISEKI-Niigata MFG. Co., Ltd., ISEKI-Shigenobu MFG. Co., Ltd.
Overseas: PT ISEKI INDONESIA
*The CO₂ emission factor for domestic electricity is revised every year based on values published by the Ministry of the Environment.

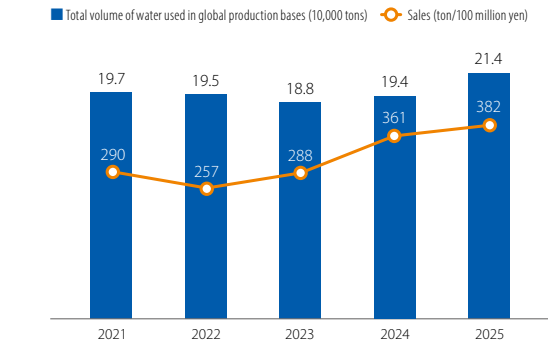
Retention rate in three years from joining non-consolidated Human resources

The retention rate of new graduates in three years is at a high level of approximately 90%



Volume of water used in production Environment

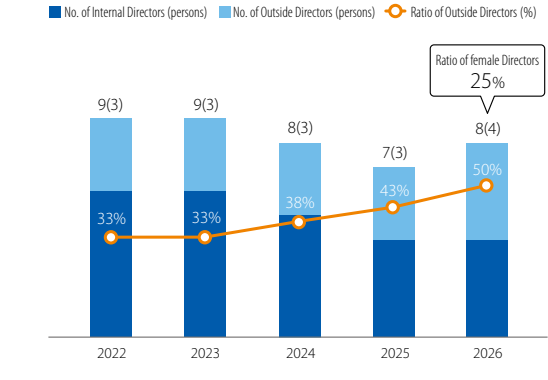
We are working to reduce volume of water used in production to mitigate environmental burdens.



*Japan: ISEKI M&D CO.,LTD. (Matsuyama), ISEKI M&D CO.,LTD.(Kumamoto), ISEKI-Niigata MFG. Co., Ltd., ISEKI-Shigenobu MFG. Co., Ltd.
Overseas: PT ISEKI INDONESIA

No. of Directors / Ratio of Outside Directors Governance

From FY2026, the ratio of Outside Directors and the ratio of female Directors became respectively 50% and 25%.



Progress of activities that would have impacts on achieving SDGs (We have concluded a loan contract “Mizuho Positive Impact Finance” since March 2023)

Impacts	KPI	2025 Results
Water (quality) / Air/Soil	Reduction of used volume of chemical substances subject to PRTR law (per net sales) (Compared with 2023) [Japan]	+7.0%
Resource efficiency & safety	Reduction of volume of water used (per net sales) (Compared with 2014) [Global]	−13.1%
	Reduction of total material input (per net sales) (Compared with 2013) [Japan]	−38.5%
Climate	Reduction of CO ₂ emissions (Scope 1 & 2) (Total) (Compared with 2014) [Global]	−49.7%
	Initiatives to reduce CO ₂ emissions (Scope 3)	*1
Waste	Reduction of final volume of waste (per net sales) (Compared with 2013) [Japan]	−63.8%
Food	**Toward improved agricultural productivity* Percentage of invention proposals related to advanced technologies [non-consolidated]	64.0%

[] indicates the scope of KPI.
[Japan] Domestic manufacturing sites [Global] Global production bases [Non-consolidated] ISEKI & Co., Ltd. (Non-consolidated)

*1 Refinement of data in Category 1, and promotion of research and development in Category 11

*2 Estimated by ISEKI & CO., LTD.

Impacts	KPI	2025 Results
Employment	Utilization rate of paid leave [non-consolidated]	74.0%
	Ratio of managers hired mid-career [non-consolidated]	9.9%
Inclusive and sound economy	Ratio of women hired [non-consolidated]	0%
	Ratio of female managers [non-consolidated]	5.0%
Education / Inclusive and sound economy/ Food	Participation in the NOGYOJOSHI (female farmers) project	6 times
Resource efficiency & safety / Climate / Air	Eco-product ratio in domestic sales	55.3%
Biodiversity and ecological services / Food	Land area organically farmed (rice)	487.8ha *2

Company information / Stock information

Company information (as of December 31, 2025)

Company name: ISEKI & CO., LTD.
Head office: 700 Umaki-cho, Matsuyama-shi, Ehime-ken, 799-2692 JAPAN
Tokyo headquarters: 5-3-14, Nishi-Nippori, Arakawa-ku, Tokyo, 116-8541 JAPAN

Foundation: August 1926
Paid-in capital: 23,344 million yen
Number of employees: Consolidated: 5,199

Stock information (as of December 31, 2025)

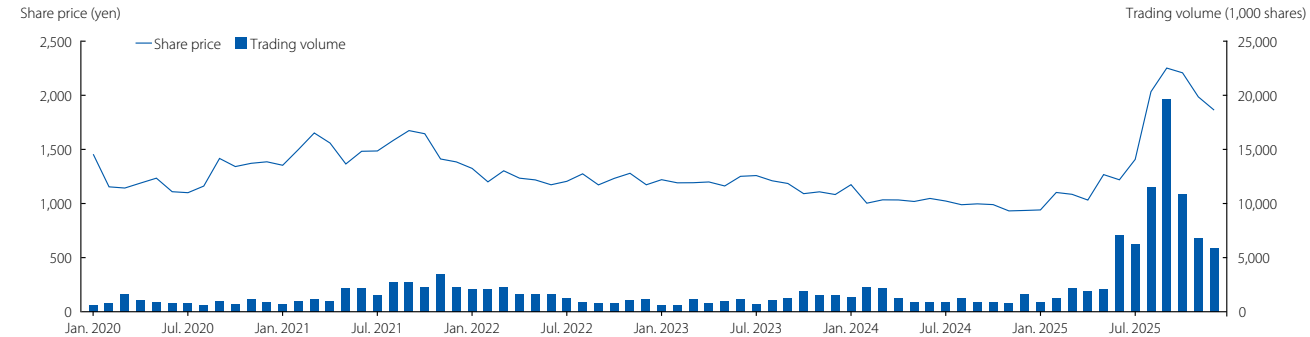
Company code: 6310
Total number of authorized shares: 69,000,000 shares
Shares issued and outstanding: 22,873,515 shares (excluding treasury stock of 111,478 shares)
Number of shares per trading unit: 100 shares
Number of shareholders: 19,087
Stock Exchange on which its shares are listed: Prime Market of the Tokyo Stock Exchange
Business year: From January 1 through December 31
Ordinary general meeting of shareholders: Late March every year
Record date: Ordinary general meeting of shareholders / Year-end dividend:December 31 every year
Shareholder register administrator and account management institution for special accounts: Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo

Major shareholders (top 10)

Name of major shareholder	Number of shares held (shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,730,000	7.56
Mizuho Bank, Ltd.	1,070,800	4.68
Iseki kabushiki hoyukai (Company's Stockholding Co-op.)	1,017,422	4.45
The Norinchukin Bank	868,785	3.80
Sumitomo Mitsui Trust Bank, Limited	800,000	3.50
Iseki eigyo-hansya group syain mochikabukai (Business-selling Group Holdings)	755,900	3.30
The Iyo Bank, Ltd.	580,042	2.54
Custody Bank of Japan, Ltd. (Trust Account)	527,300	2.31
Sompo Japan Insurance Inc.	434,500	1.90
Nomura Securities Co.,Ltd.	413,907	1.81

(Notes) 1. Shareholding ratios are calculated after the deduction of treasury stock.
2. The treasury stock does not include 245,400 shares of the Company held by Custody Bank of Japan, Ltd. (Trust Account) as trust property of a stock delivery trust for officers.
3. The shares held by Custody Bank of Japan, Ltd. (Trust Account) include 245,400 shares held through the stock delivery trust for officers.

Share price trends



MENU GUIDE

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Management foundation to support sustainable growth

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