



# **Supplementary Information to Consolidated Financial Results**

**(January 1, 2024 – September 30, 2024)**

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**ISEKI & CO., LTD.**

**November 14, 2024**

- 1. Outline of Financial Results for the Third Quarter  
Fiscal Year Ending December 31, 2024**
- 2. Performance Forecast for the Fiscal Year Ending  
December 31, 2024**

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# **1 . Outline of Financial Results for the Third Quarter Fiscal Year Ending December 31, 2024**

# Key Points

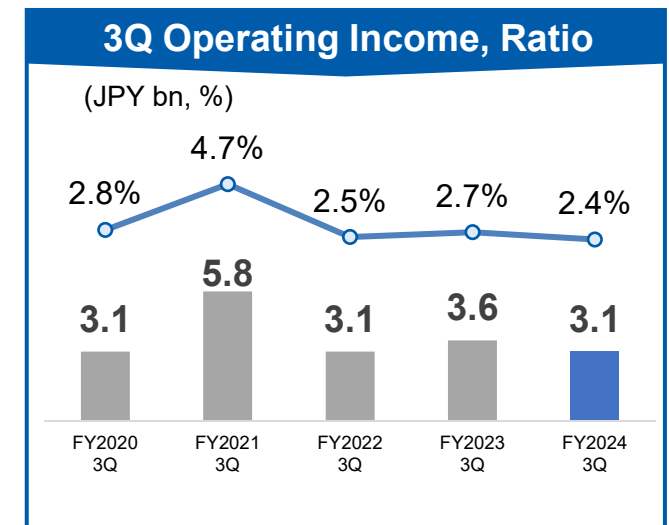
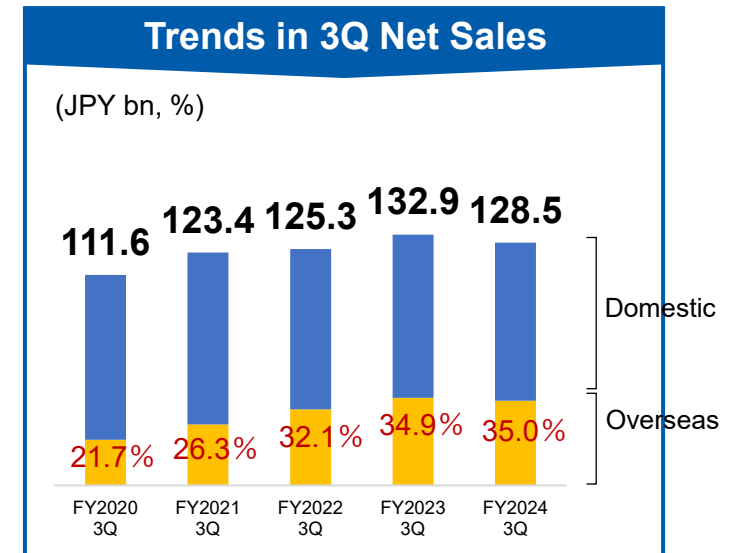
## <Third Quarter Financial Results>

**Maintained high performance in Europe despite lower sales and operating income**  
**Domestic agricultural machinery on a recovery track**

- Overseas: Maintained high performance in Europe  
Lower sales in North America and Asia
- Domestic: Sales of agricultural machinery and construction of facilities decreased  
Agricultural machinery currently on a recovery track
- Earnings: Decline in operating income due to lower sales and production  
Bottom line in the red due to impairment losses recorded in 2Q

## <Full-year Forecast>

**No revision to forecast announced on July 18**



# Outline of Consolidated Business Performance

(JPY bn,%) (January 1, 2024 to June 30, 2024)	FY2020/12	FY2021/12	FY2022/12	FY2023/12	FY2024/12	YoY Change	
	3Q Actual	3Q Actual	3Q Actual	3Q Actual	3Q Actual		
Net Sales	111.6	123.4	125.3	132.9	<b>128.5</b>	<b>(4.3)</b>	
(Domestic)	87.4	90.9	85.0	86.5	<b>83.6</b>	<b>(2.8)</b>	
(Overseas)	24.1	32.4	40.2	46.4	<b>44.9</b>	<b>(1.5)</b>	
Gross Profit	33.1	37.2	37.2	39.8	<b>38.8</b>	<b>(0.9)</b>	
Gross Profit Margin	29.7%	30.1%	29.7%	30.0%	<b>30.3%</b>	<b>0.3%</b>	
Operating Income	3.1	5.8	3.1	3.6	<b>3.1</b>	<b>(0.5)</b>	
Operating Margin	2.8%	4.7%	2.5%	2.7%	<b>2.4%</b>	<b>(0.3)%</b>	
Ordinary Income	2.8	6.5	3.8	3.8	<b>2.9</b>	<b>(0.9)</b>	
Profit (Loss) Attributable to Owners of Parent	2.4	4.7	3.4	2.0	<b>(0.5)</b>	<b>(2.6)</b>	
Average Exchange Rate (JPY)	US\$	107.8	107.8	124.9	136.4	<b>151.4</b>	<b>15.0</b>
	Euro	120.6	129.6	133.9	147.1	<b>162.6</b>	<b>15.4</b>

# Domestic Sales

(JPY bn)		FY2020/12	FY2021/12	FY2022/12	FY2023/12	FY2024/12	YoY Change	
		3Q Actual	3Q Actual	3Q Actual	3Q Actual	3Q Actual		
Agricultural Machinery Related	Agricultural Machinery	Cultivating & Mowing Machinery	17.3	18.8	18.1	17.0	16.0	(0.9)
		Planting Machinery	6.4	7.2	6.5	5.9	5.1	(0.7)
		Harvesting & Processing Machinery	11.9	11.7	11.4	11.3	11.1	(0.2)
		Subtotal	35.7	37.8	36.1	34.4	32.3	(2.0)
		Farming Implements	15.2	17.9	15.2	15.4	15.7	0.3
		Spare Parts	11.9	11.8	11.9	12.3	12.7	0.3
		Repair Fees	4.4	4.5	4.4	4.5	4.6	0.0
		Subtotal	31.6	34.3	31.6	32.3	33.1	0.8
	Total		67.4	72.1	67.7	66.7	65.5	(1.2)
	Construction of Facilities		5.6	3.6	3.2	4.8	2.8	(2.0)
Others		14.3	15.1	14.0	14.8	15.3	0.4	
Total		87.4	90.9	85.0	86.5	83.6	(2.8)	

## Main factors of YoY changes

- Lower sales in agricultural machinery and construction of facilities
- Currently on a recovery track in agricultural machinery

### Agricultural machinery:

The YoY increase since April could not offset the decrease in 1Q

### Farming implements/spare parts/repair fees:

Sales continued to increase

### Construction of facilities:

Sales declined due to the absence of large facility projects in the period

# Overseas Sales

(JPY bn, %)	FY2020/12 3Q Actual	FY2021/12 3Q Actual	FY2022/12 3Q Actual	FY2023/12 3Q Actual	FY2024/12 3Q Actual	YoY Change
North America	9.2	11.3	13.1	10.7	9.1	(1.6)
Europe	9.2	13.3	19.8	27.6	31.2	3.5
Asia	5.4	7.3	6.7	7.0	4.0	(2.9)
Others	0.2	0.3	0.5	1.0	0.5	(0.4)
Total sales	24.1	32.4	40.2	46.4	44.9	(1.5)
Overseas sales ratio	21.7%	26.3%	32.1%	34.9%	35.0%	0.1%

## Main factors of YoY changes

- Maintained high performance in Europe  
Sales declined in North America and Asia

### North America:

Compact tractors market remained weak

### Europe:

Sales of landscaping products and purchased products were strong

### Asia:

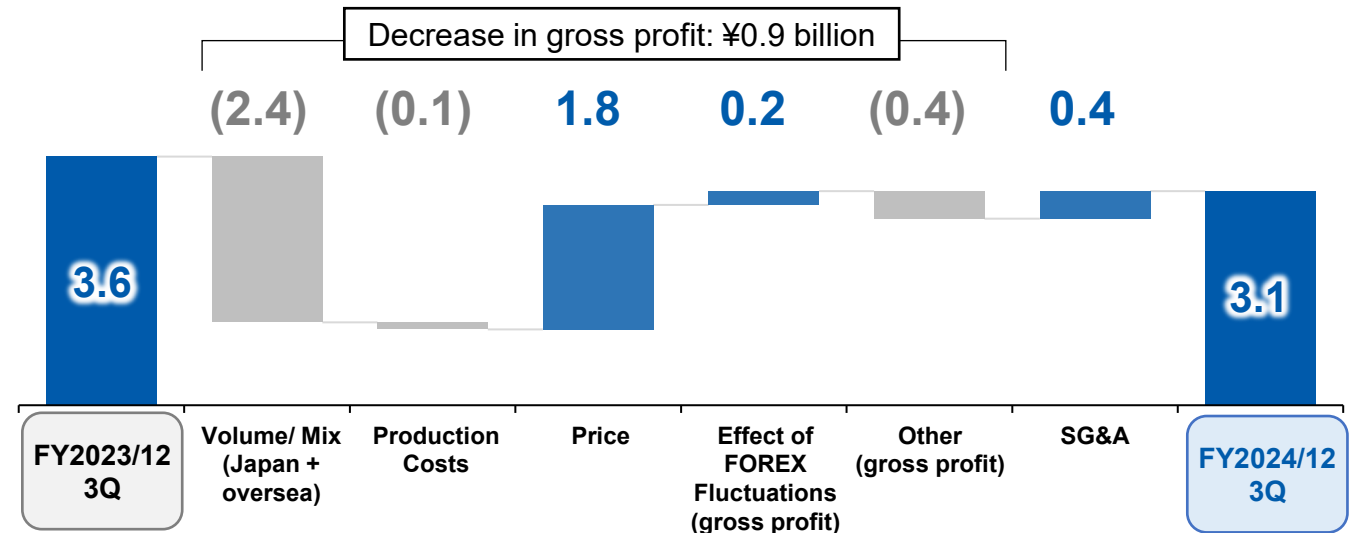
Weakening demand in ASEAN and Korea led to a decline in orders

# Operating Income

- Gross profit decreased (lower sales and production in Japan and overseas)
- SG&A expenses decreased

(JPY bn, %)	FY2023/12 3Q Actual	FY2024/12 3Q Actual	YoY Change
Net Sales	132.9	<b>128.5</b>	(4.3)
Gross Profit	39.8	<b>38.8</b>	(0.9)
Gross Profit Margin	30.0%	<b>30.3%</b>	0.3%
SG&A Expenses	36.2	<b>35.7</b>	(0.4)
Personnel Expenses	20.6	<b>20.2</b>	(0.3)
Other Expenses	15.6	<b>15.5</b>	(0.1)
Operating Income	3.6	<b>3.1</b>	(0.5)
Operating Margin	2.7%	<b>2.4%</b>	(0.3)%

[Breakdown of YoY Change (JPY bn)]



[Effect of FOREX Fluctuations (JPY bn)]

Net Sales	Cost of Sales	SG&A Expenses	Operating Income
1.0	(0.8)	(0.0)	0.2



# Ordinary Income & Profit

- As impairment losses associated with Project Z structural reforms were recognized, the profit lines below income before income taxes decreased to a larger extent than operating income

(JPY bn)	FY2020/12 3Q Actual	FY2021/12 3Q Actual	FY2022/12 3Q Actual	FY2023/12 3Q Actual	FY2024/12 3Q Actual	YoY Change
Operating Income	3.1	5.8	3.1	3.6	<b>3.1</b>	(0.5)
Balance of Financial Income	(0.5)	(0.4)	(0.5)	(1.1)	<b>(1.0)</b>	0.1
Balance of other Non-Operating Income	0.1	1.1	1.2	1.4	<b>0.8</b>	(0.5)
Ordinary Income	2.8	6.5	3.8	3.8	<b>2.9</b>	(0.9)
Extraordinary Income	0.6	0.0	0.8	0.0	<b>0.0</b>	0.0
Extraordinary Losses	0.0	(0.2)	(0.2)	(0.1)	<b>(2.3)</b>	(2.2)
Income Before Income Taxes	3.4	6.3	4.4	3.7	<b>0.6</b>	(3.1)
Income Taxes - Deferred	(1.0)	(1.5)	(0.9)	(1.6)	<b>(1.1)</b>	0.5
Profit (loss) Attributable to Owners of Parent	2.4	4.7	3.4	2.0	<b>(0.5)</b>	(2.6)

## Breakdown of YoY change in balance of other non-operating income (JPY bn)

Foreign exchange gains	(0.6)
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## Breakdown of YoY change in extraordinary income/losses (JPY bn)

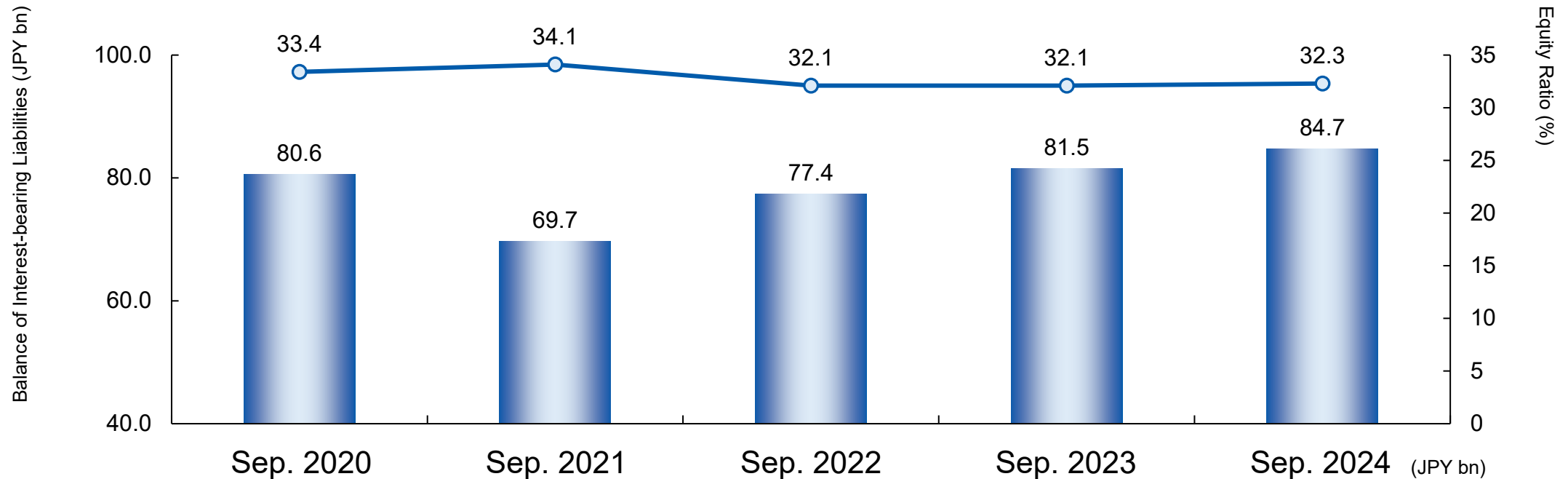
Impairment losses on non-current assets	(2.2)
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# Balance Sheet

- Inventories decreased both YoY and from the end of the previous fiscal year
- Property, plant and equipment decreased due to the recording of impairment losses associated with structural reforms

(JPY bn)	As of Sep. 30, 2023	As of Dec. 31, 2023	As of Sep. 30, 2024	YoY Change	Change from Dec. 31, 2023		As of Sep. 30, 2023	As of Dec. 31, 2023	As of Sep. 30, 2024	YoY Change	Change from Dec. 31, 2023
Cash & Deposits	9.3	9.9	<b>7.6</b>	(1.7)	(2.2)	Accounts Payable – Trade	43.3	41.7	<b>23.3</b>	(19.9)	(18.4)
Accounts Receivable – Trade	37.9	26.9	<b>35.0</b>	(2.9)	8.1	Interest-bearing Liabilities	81.5	76.9	<b>84.7</b>	3.2	7.8
Inventories	71.8	72.8	<b>68.0</b>	(3.8)	(4.8)	(Loans Payable)	74.4	69.8	<b>77.1</b>	2.6	7.3
Other Current Assets	4.0	5.6	<b>3.7</b>	(0.2)	(1.9)	Other Liabilities	21.5	24.2	<b>31.8</b>	10.3	7.6
Total Current Assets	123.2	115.3	<b>114.4</b>	(8.7)	(0.8)	Total Liabilities	146.3	142.8	<b>139.9</b>	(6.3)	(2.9)
Property, Plant and Equipment	84.5	84.5	<b>81.4</b>	(3.0)	(3.1)	Net Assets	76.0	74.2	<b>74.1</b>	(1.9)	(0.0)
Intangible Assets	2.3	2.4	<b>2.6</b>	0.2	0.1	(Retained Earnings)	22.5	20.4	<b>19.4</b>	(3.0)	(1.0)
Investments and Other Assets	12.2	14.7	<b>15.5</b>	3.2	0.7						
Total Non-current Assets	99.1	101.7	<b>99.6</b>	0.4	(2.1)						
Total Assets	222.4	217.1	<b>214.1</b>	(8.3)	(2.9)	Total Liabilities and Net Assets	222.4	217.1	<b>214.1</b>	(8.3)	(2.9)

# Equity Ratio / Interest-bearing Liabilities



	Sep. 2020	Sep. 2021	Sep. 2022	Sep. 2023	Sep. 2024 (JPY bn)
Loans payable, corporate bonds	72.7	62.2	70.0	74.4	77.1
Lease obligations	7.9	7.4	7.4	7.0	7.6
Interest-bearing Liabilities Total	80.6	69.7	77.4	81.5	84.7
D/E ratio	1.14	1.03	1.07	1.07	1.14

Note: D/E Ratio=Interest bearing liabilities (incl. Lease obligations) / Net assets

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## **2. Performance Forecast for the Fiscal Year Ending December 31, 2024**

# Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2024

- No revision to the forecast announced on July 18, 2024 (exchange rates revised in light of current fluctuations)

(JPY bn, %)	FY2020/12	FY2021/12	FY2022/12		FY2023/12		FY2024/12			YoY Change
	Actual	Actual	Actual	%	Actual	%	Initial forecast*1	7/18 forecast*2	%	
Net Sales	149.3	158.1	166.6	100.0	169.9	100.0	<b>170.0</b>	<b>170.0</b>	<b>100.0</b>	0.0
(Domestic)	115.9	117.3	112.6	67.6	113.0	66.5	<b>115.0</b>	<b>115.0</b>	<b>67.6</b>	1.9
(Overseas)	33.3	40.7	53.9	32.4	56.8	33.5	<b>55.0</b>	<b>55.0</b>	<b>32.4</b>	(1.8)
Operating Income	2.0	4.1	3.5	2.1	2.2	1.3	<b>2.0</b>	<b>2.0</b>	<b>1.2</b>	(0.2)
Ordinary Income	1.7	4.6	3.7	2.3	2.0	1.2	<b>1.0</b>	<b>1.0</b>	<b>0.6</b>	(1.0)
Profit (loss) Attributable to Owners of Parent	(5.6)	3.1	4.1	2.5	0.0	0.0	<b>0.4</b>	<b>(3.1)</b>	<b>-</b>	(3.1)
Average Exchange Rate (JPY)	US\$	107.0	109.0	131.3	139.4		<b>140.0</b>	<b>150.4</b>		11.0
	Euro	121.5	129.8	136.9	148.6		<b>150.0</b>	<b>162.6</b>		14.0
Year-end Dividend (JPY)	0	30	30		30		<b>30</b>	<b>30</b>		-

\*1 Initial forecast: The forecast announced on February 14, 2024

\*2 7/18 forecast: Exchange rates revised as ¥147.6/US\$ → ¥150.4/US\$, ¥161.1/Euro → ¥162.6/Euro

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