

[Delayed] Supplementary Information to Consolidated Financial Results

(January 1, 2024 – December 31, 2024)

ISEKI & CO., LTD.

February 14, 2025

- 1. Outline of Financial Results for the Fiscal Year Ended December 31, 2024**
- 2. Performance Forecast for the Fiscal Year Ending December 31, 2025**

Key Points

<Financial Results for the FY Ended Dec. 2024>

Both sales and profits were almost in line with the announced forecast despite lower sales and operating income year on year

[YoY change]

- Overseas: Maintained high performance in Europe
Lower sales in North America and Asia
- Domestic: Sales of agricultural machinery currently improving due in part to rising rice prices despite demand remaining sluggish
Maintenance revenues grew, which are a pillar in reform of revenue and cost structure
- Profits: Decline in operating income due to higher SG&A expenses including effect of FOREX fluctuations
Net loss due to impairment losses associated with structural reform

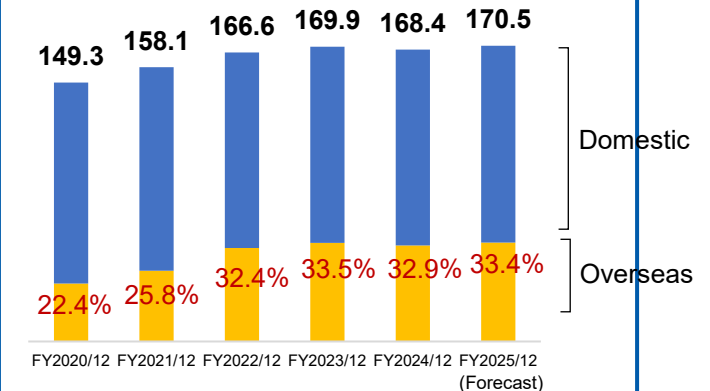
<Forecast for the FY Ending Dec. 2025>

Both sales and operating income will increase year on year

- Net sales: Overseas, high performance will be maintained in Europe, sales will increase in North America and Asia
Domestic, sales will increase by concentrating management resources in the growth areas and strengthening sales
- Profits: Operating income will increase due to higher sales and partial effect of Project Z, but profit growth will be limited due to temporary expenses

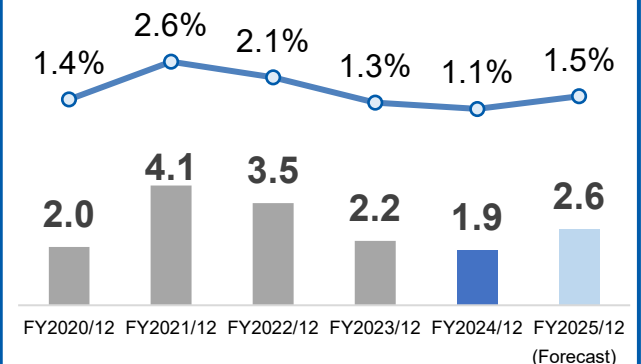
Trends in Net Sales

(JPY bn, %)



Operating Income, Ratio

(JPY bn, %)



1 . Outline of Financial Results for the Fiscal Year Ended December 31, 2024

Outline of Consolidated Business Performance

(JPY bn,%) (January 1, 2024 to December 31, 2024)		FY2020/12	FY2021/12	FY2022/12	FY2023/12	FY2024/12		
		Actual	Actual	Actual	Actual	Actual	YoY Change	Diff. (Target /Actual)*
Net Sales		149.3	158.1	166.6	169.9	168.4	(1.4)	(1.5)
	(Domestic)	115.9	117.3	112.6	113.0	113.0	(0.0)	(1.9)
	(Overseas)	33.3	40.7	53.9	56.8	55.3	(1.4)	0.3
Gross Profit		43.4	46.8	49.8	50.3	50.6	0.2	
Gross Profit Margin		29.1%	29.6%	29.9%	29.6%	30.1%	0.5%	
Operating Income		2.0	4.1	3.5	2.2	1.9	(0.3)	(0.0)
Operating Margin		1.4%	2.6%	2.1%	1.3%	1.1%	(0.2)%	(0.0)%
Ordinary Income		1.7	4.6	3.7	2.0	1.5	(0.5)	0.5
Profit (Loss) Attributable to Owners of Parent		(5.6)	3.1	4.1	0.0	(3.0)	(3.0)	0.0
Average Exchange Rate (JPY)	US\$	107.0	109.0	131.3	139.4	151.0	11.5	0.6
	Euro	121.5	129.8	136.9	148.6	162.5	13.9	(0.1)

※Difference from the forecast announced on 18th July 2024
 (The average exchange rate is being reviewed on November 14)

Domestic Sales

(JPY bn)			FY2020/12	FY2021/12	FY2022/12	FY2023/12	FY2024/12		
			Actual	Actual	Actual	Actual	Actual	YoY Change	Diff. (Target/ Actual)
Agricultural Machinery Related	Agricultural Machinery	Cultivating & Mowing Machinery	22.8	23.9	22.9	22.0	21.2	(0.8)	
		Planting Machinery	8.8	9.0	7.9	7.2	6.5	(0.6)	
		Harvesting & Processing Machinery	16.8	16.6	16.0	15.7	16.3	0.6	
		Subtotal	48.6	49.6	46.9	45.0	44.1	(0.8)	(1.8)
		Farming Implements	20.4	22.0	20.5	20.4	21.0	0.6	0.0
		Spare Parts	15.6	15.3	15.6	16.0	16.9	0.9	0.5
		Repair Fees	5.8	5.9	5.8	6.0	6.2	0.2	(0.0)
		Subtotal	42.0	43.3	42.0	42.5	44.2	1.7	0.5
	Total		90.6	93.0	88.9	87.5	88.4	0.8	(1.2)
	Construction of Facilities		6.1	4.2	4.3	5.5	4.1	(1.3)	(1.1)
Others		19.1	20.1	19.3	19.9	20.4	0.4	0.4	
Total		115.9	117.3	112.6	113.0	113.0	(0.0)	(1.9)	

Main factors of YoY changes

- Sales of agricultural machinery currently improving due in part to rising rice prices despite demand remaining sluggish
- Maintenance revenues grew, which are a pillar in reform of revenue and cost structure

Agricultural machinery:

Slight decrease for full-year despite a decrease in 1Q due to weak demand
 Since mid-year, rising rice prices partially offset the decrease in sales

Farming implements/spare parts/repair fees: (Maintenance revenues)

Sales continue to increase

Construction of facilities:

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

Overseas Sales

(JPY bn, %)	FY2020/12	FY2021/12	FY2022/12	FY2023/12	FY2024/12	YoY Change	Diff. (Target/ Actual)
	Actual	Actual	Actual	Actual	Actual		
North America	12.8	15.1	19.5	14.2	11.2	(3.0)	(4.7)
Europe	13.9	15.9	25.1	33.2	38.5	5.2	6.5
Asia	6.2	9.1	8.6	8.1	4.9	(3.1)	(1.4)
Others	0.3	0.5	0.6	1.1	0.5	(0.5)	(0.0)
Total sales	33.3	40.7	53.9	56.8	55.3	(1.4)	0.3

Overseas sales ratio	22.4%	25.8%	32.4%	33.5%	32.9%	(0.6)%	0.4%
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Main factors of YoY changes

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

North America:

Compact tractors market was weak

Europe:

Sales of landscaping products were strong

Sales of purchased products (electric products) increased significantly

Asia:

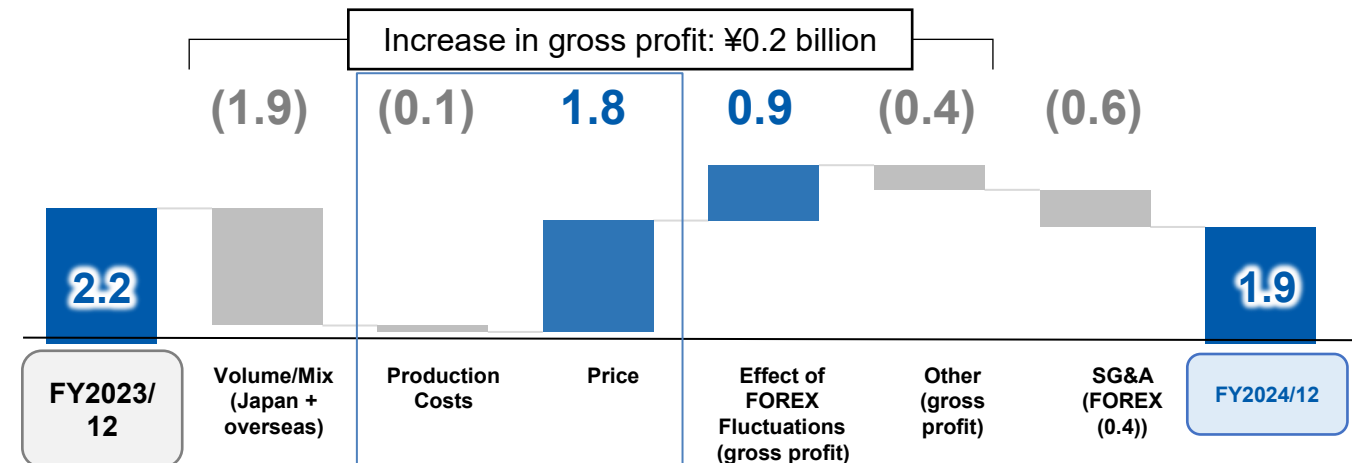
Weakening demand in ASEAN

Inventories were adjusted in Korea

Operating Income

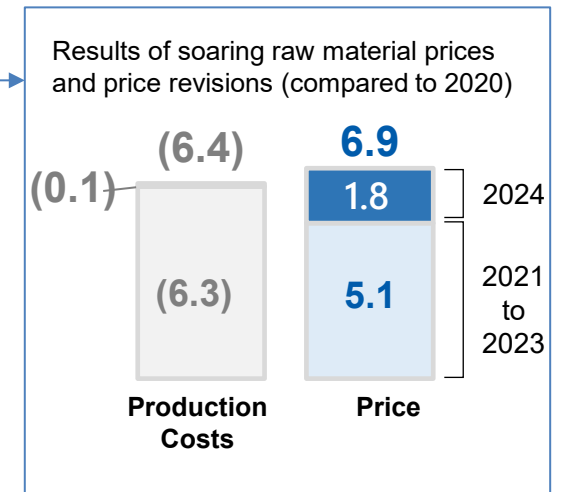
- Gross profit increased due to price revision effect, despite the impact of lower sales and production
- SG&A expenses increased due to foreign currency translation effects

[Breakdown of YoY Change (JPY bn)]



[Effect of FOREX Fluctuations (impact of income/losses, JPY bn)]

Net Sales	Cost of Sales	SG&A Expenses	Operating Income
2.5	(1.6)	(0.4)	0.4



(JPY bn, %)	FY2023/12 Actual	FY2024/12 Actual	YoY Change
Net Sales	169.9	168.4	(1.4)
Gross Profit	50.3	50.6	0.2
Gross Profit Margin	29.6%	30.1%	0.5%
SG&A Expenses	48.1	48.7	0.6
Personnel Expenses	27.8	27.6	(0.2)
Other Expenses	20.2	21.0	0.8
Operating Income	2.2	1.9	(0.3)
Operating Margin	1.3%	1.1%	(0.2)%

Ordinary Income & Profit

- Net loss as extraordinary losses associated with Project Z structural reforms were recognized

(JPY bn)	FY2020/12 Actual	FY2021/12 Actual	FY2022/12 Actual	FY2023/12 Actual	FY2024/12 Actual	YoY Change
Operating Income	2.0	4.1	3.5	2.2	1.9	(0.3)
Balance of Financial Income	(0.6)	(0.6)	(0.7)	(1.4)	(1.4)	0.0
Balance of other Non-Operating Income	0.3	1.1	0.9	1.3	1.0	(0.2)
Ordinary Income	1.7	4.6	3.7	2.0	1.5	(0.5)
Extraordinary Income	0.6	0.0	3.3	0.0	0.1	0.0
Extraordinary Losses	(9.4)	(0.4)	(1.9)	(0.2)	(3.2)	(2.9)
Income Before Income Taxes	(7.1)	4.3	5.2	1.9	(1.5)	(3.4)
Income Taxes-Deferred	1.4	(1.1)	(1.1)	(1.8)	(1.4)	0.3
Profit (loss) Attributable to Owners of Parent	(5.6)	3.1	4.1	0.0	(3.0)	(3.0)

[Main Components of Other Non-operating Income]

(JPY bn)	FY2023/12 Actual	FY2024/12 Actual
Foreign exchange gains	0.9	0.7
Share of loss of entities accounted for using equity method	(0.5)	(0.8)

[Main Components of Extraordinary Income/Losses]

(JPY bn)	FY2023/12 Actual	FY2024/12 Actual
Impairment losses on non-current assets	(0.0)	(2.3)
Business structural* reforms expenses	—	(0.6)

*Extra retirement payments and other expenses, and expenses associated with discontinuation of production at ISEKI M&D (Kumamoto) Co., Ltd.

Non-Consolidated Financial Results

- Lower sales in Japan and overseas due to restrained production and shipments in order to reduce inventory
- Dividend income increased (special dividends from sales subsidiaries: press release dated November 14, 2024)

(JPY bn, %)	FY2023/12 Actual	FY2024/12 Actual	YoY Change
Net Sales	97.0	86.2	(10.7)
Domestic	60.3	55.5	(4.8)
Overseas	36.7	30.7	(5.9)
Gross Profit	11.6	10.5	(1.0)
Gross Profit Margin	12.0%	12.3%	0.3%
SG&A Expenses	12.4	12.2	(0.1)
Operating Income	(0.8)	(1.6)	(0.8)
Non-operating Income	1.9	10.4	8.4
Ordinary Income	1.1	8.7	7.5
Extraordinary Income/Losses	0.0	(4.2)	(4.1)
Profit Before Income Taxes	1.1	4.5	3.4
Profit	0.9	4.3	3.3

[Breakdown of YoY Change
(YoY impact of income/losses: JPY bn)]

Other non-operating income	
Dividend income	+8.5
Of which special dividends	8.0

Extraordinary income/losses	
Impairment losses on non-current assets	(0.4)
Loss on valuation of shares of subsidiaries and associates	(3.2)

Balance Sheet

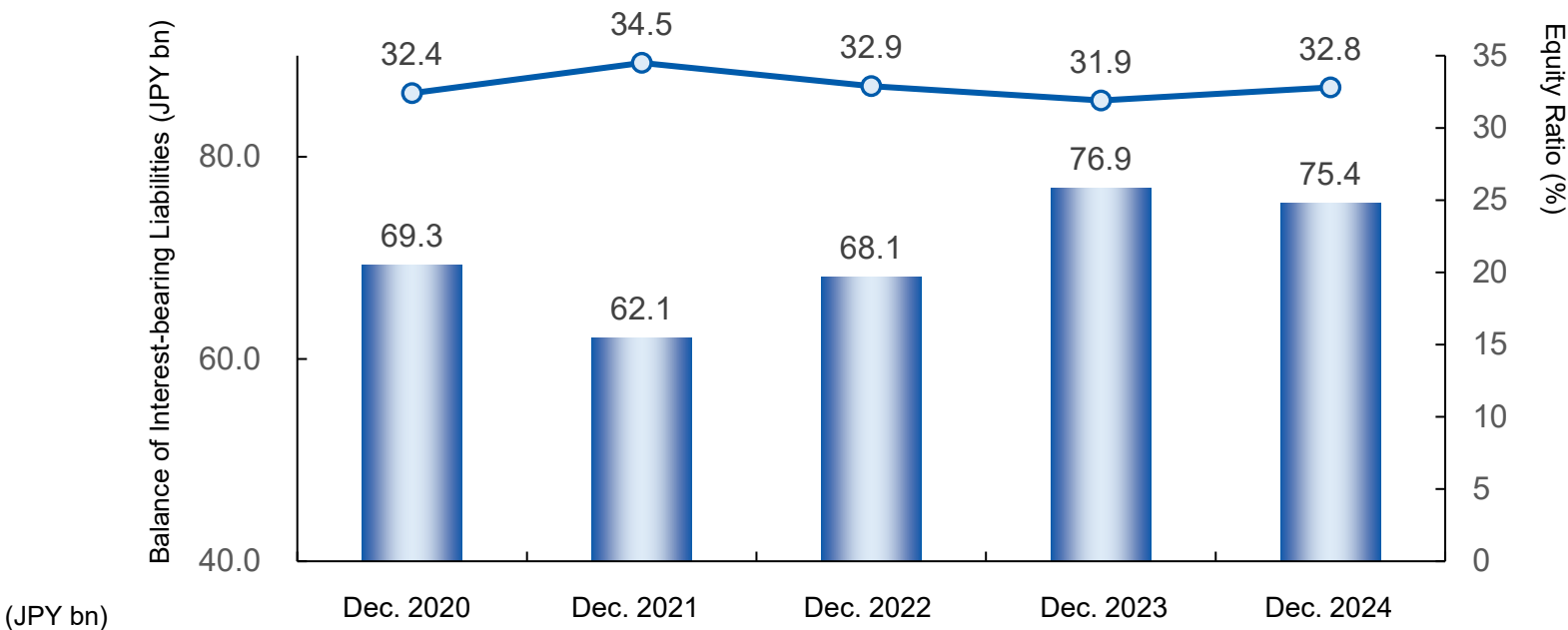
- Total assets decreased due in part to a decrease in inventories and the impact of recording impairment losses on non-current assets
- Retained earnings and net assets decreased due in part to final losses

(JPY bn)	As of Dec. 31, 2023	As of Dec. 31, 2024	Change from Dec. 31, 2023		As of Dec. 31, 2023	As of Dec. 31, 2024	Change from Dec. 31, 2023
Cash & Deposits	9.9	8.2	(1.7)	Accounts Payable-Trade	41.7	25.2	(16.4)
Accounts Receivable-Trade	26.9	25.4	(1.4)	Interest-bearing Liabilities	76.9	75.4	(1.4)
Inventories	72.8	66.9	(5.9)	(Loans Payable)	69.8	68.1	(1.6)
Other Current Assets	5.6	5.0	(0.6)	Accounts Payable-Other	0.5	10.2	9.7
				Other Liabilities	23.7	23.3	(0.4)
Total Current Assets	115.3	105.6	(9.7)	Total Liabilities	142.8	134.2	(8.5)
Property, Plant and Equipment	84.5	81.3	(3.1)	Net Assets	74.2	71.8	(2.3)
Intangible Assets	2.4	2.9	0.4				
Investments and Other Assets	14.7	16.1	1.4	(Retained Earnings)	20.4	16.6	(3.8)
Total Non-current Assets	101.7	100.5	(1.2)				
Total Assets	217.1	206.1	(10.9)	Total Liabilities and Net Assets	217.1	206.1	(10.9)

Interest-bearing Liabilities / Equity Ratio / Dividend

[Interest-bearing liabilities / Equity ratio]

[Dividend]



(JPY)

	FY2023/12 Actual	FY2024/12 Plan
Year-end Dividend	30	30

Loans payable, corporate bonds	61.5	54.9	61.1	69.8	68.1
Lease obligations	7.7	7.2	7.0	7.1	7.3
Interest-bearing liabilities Total	69.3	62.1	68.1	76.9	75.4
Net assets	62.4	66.5	72.3	74.2	71.8
D/E ratio	1.11	0.93	0.94	1.04	1.05

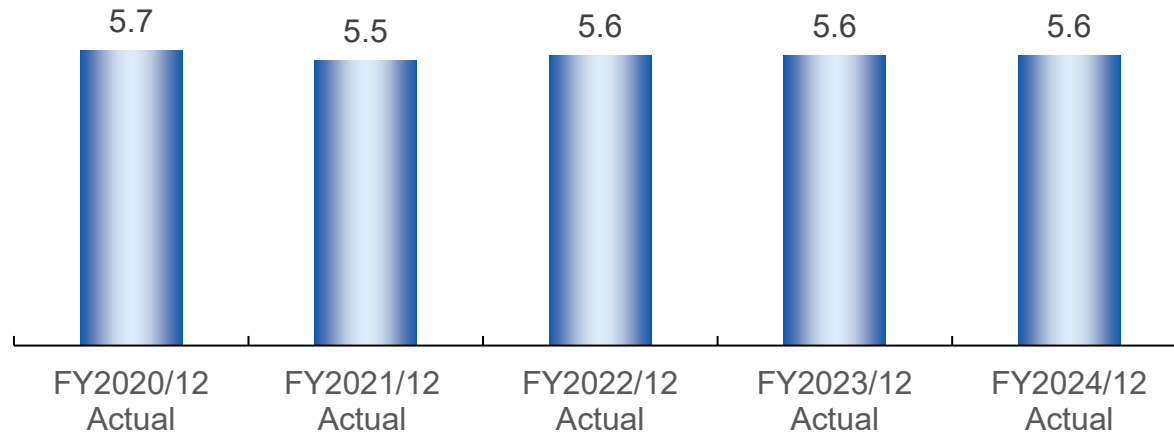
Note: D/E Ratio = Interest-bearing liabilities (incl. Lease obligations) / Net assets

D/E ratio remained flat due to a decrease in net assets, despite a decrease in interest-bearing liabilities

Capital Investment, Depreciation and Research & Development Expenses

[Capital investment (JPY bn)]

* Property, plant and equipment and intangible assets after delivery



[Depreciation, Research & Development Expenses (JPY bn)]

	FY2023/12 Actual	FY2024/12 Actual
Depreciation	5.62	5.43
Research & development expenses	1.39	1.46

(Breakdown)

	FY2023/12	FY2024/12
Sales offices	1.6	1.6
New models, increasing productivity	1.6	1.2
Information technology	0.5	0.3
Other	1.9	2.5
Total	5.6	5.6

Cash Flows

- Cash flows from operating activities returned to positive due to decreased inventories

(JPY bn)	FY2020/12 Actual	FY2021/12 Actual	FY2022/12 Actual	FY2023/12 Actual	FY2024/12 Actual	YoY Change
Cash flows from operating activities	9.6	14.2	(3.3)	(2.4)	8.8	11.2
Profit before income taxes	(7.1)	4.3	5.2	1.9	(1.5)	(3.4)
Depreciation	6.9	6.5	6.1	5.6	5.4	(0.1)
Impairment losses, gain on bargain purchase, loss (gain) on step acquisitions, loss (gain) on change in equity	8.6	0.1	(1.5)	0.0	2.3	2.2
Decrease (increase) in trade receivables	(1.8)	0.4	(5.1)	1.2	1.8	0.6
Decrease (increase) in inventories	3.2	2.4	(11.4)	(6.3)	7.4	13.8
Increase (decrease) in trade payables	(0.8)	2.1	5.4	(4.5)	(16.9)	(12.4)
Increase (decrease) in accounts payable-other	(0.1)	0.3	(0.1)	0.0	9.7	9.7
Other, net	0.7	(2.0)	(1.8)	(0.3)	0.5	0.9
Cash flows from investing activities	(5.1)	(2.0)	(2.9)	(5.4)	(5.8)	(0.4)
Purchase of property, plant and equipment and intangible assets	(6.6)	(4.6)	(4.8)	(5.7)	(5.7)	0.0
Free Cash Flow	4.5	12.1	(6.3)	(7.8)	2.9	10.8
Cash flows from financing activities	(2.1)	(8.3)	2.0	6.7	(5.0)	(11.8)
Net increase (decrease) in cash and cash equivalents	2.3	4.0	(4.1)	(0.8)	(1.7)	(0.8)

2. Performance Forecast for the Fiscal Year Ending December 31, 2025

Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2025

- Higher operating income YoY due to higher sales in Japan and overseas
- Year-end dividend: 30 yen per share

(JPY bn, %)		FY2021/12	FY2022/12	FY2023/12		FY2024/12		FY2025/12		YoY Change
		Actual	Actual	Actual	%	Actual	%	Forecast	%	
Net Sales		158.1	166.6	169.9	100.0	168.4	100.0	170.5	100.0	2.0
	(Domestic)	117.3	112.6	113.0	66.5	113.0	67.1	113.5	66.6	0.4
	(Overseas)	40.7	53.9	56.8	33.5	55.3	32.9	57.0	33.4	1.6
Operating income		4.1	3.5	2.2	1.3	1.9	1.1	2.6	1.5	0.6
Ordinary income		4.6	3.7	2.0	1.2	1.5	0.9	1.8	1.1	0.2
Profit (loss) Attributable to Owners of Parent		3.1	4.1	0.0	0.0	(3.0)	-	1.3	0.8	4.3
Average Exchange Rate (JPY)	US\$	109.0	131.3	139.4		151.0		150.0		(1.0)
	Euro	129.8	136.9	148.6		162.5		157.0		(5.5)
Year-end Dividend (JPY)		30	30	30		30		30		-

Domestic Sales

(JPY bn)		FY2021/12	FY2022/12	FY2023/12	FY2024/12	FY2025/12	YoY Change
		Actual	Actual	Actual	Actual	Forecast	
Agricultural Machinery Related	Agricultural Machinery	49.6	46.9	45.0	44.1	44.5	0.3
	Farming Implements/ Spare Parts	37.3	36.1	36.4	38.0	36.8	(1.2)
	Repair Fees	5.9	5.8	6.0	6.2	6.2	(0.0)
	Subtotal	43.3	42.0	42.5	44.2	43.0	(1.2)
	Total	93.0	88.9	87.5	88.4	87.5	(0.9)
Construction of Facilities		4.2	4.3	5.5	4.1	6.0	1.8
Others		20.1	19.3	19.9	20.4	20.0	(0.4)
Total		117.3	112.6	113.0	113.0	113.5	0.4

Main factors of YoY changes

- Higher sales in agricultural machinery and construction of facilities

Agricultural machinery:

Structural downward trend in demand will continue, but the level of rice prices and purchasing appetite are currently recovering
 Concentrate management resources in the growth areas and strengthen sales

Construction of facilities:

Improvement in the market conditions

Overseas Sales

(JPY bn, %)	FY2021/12 Actual	FY2022/12 Actual	FY2023/12 Actual	FY2024/12 Actual	FY2025/12 Forecast	YoY Change
North America	15.1	19.5	14.2	11.2	12.5	1.2
Europe	15.9	25.1	33.2	38.5	37.0	(1.5)
Asia	9.1	8.6	8.1	4.9	7.1	2.1
Others	0.5	0.6	1.1	0.5	0.4	(0.1)
Total sales	40.7	53.9	56.8	55.3	57.0	1.6

Overseas sales ratio	25.8%	32.4%	33.5%	32.9%	33.4%	0.5%
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Main factors of YoY changes

- Maintain high performance in Europe
Higher sales in North America and Asia

North America:

Compact tractors market is expected to bottom out

Europe:

Sales will remain high mainly for landscaping products

Absence of special demand for purchased products in the previous fiscal year

Asia:

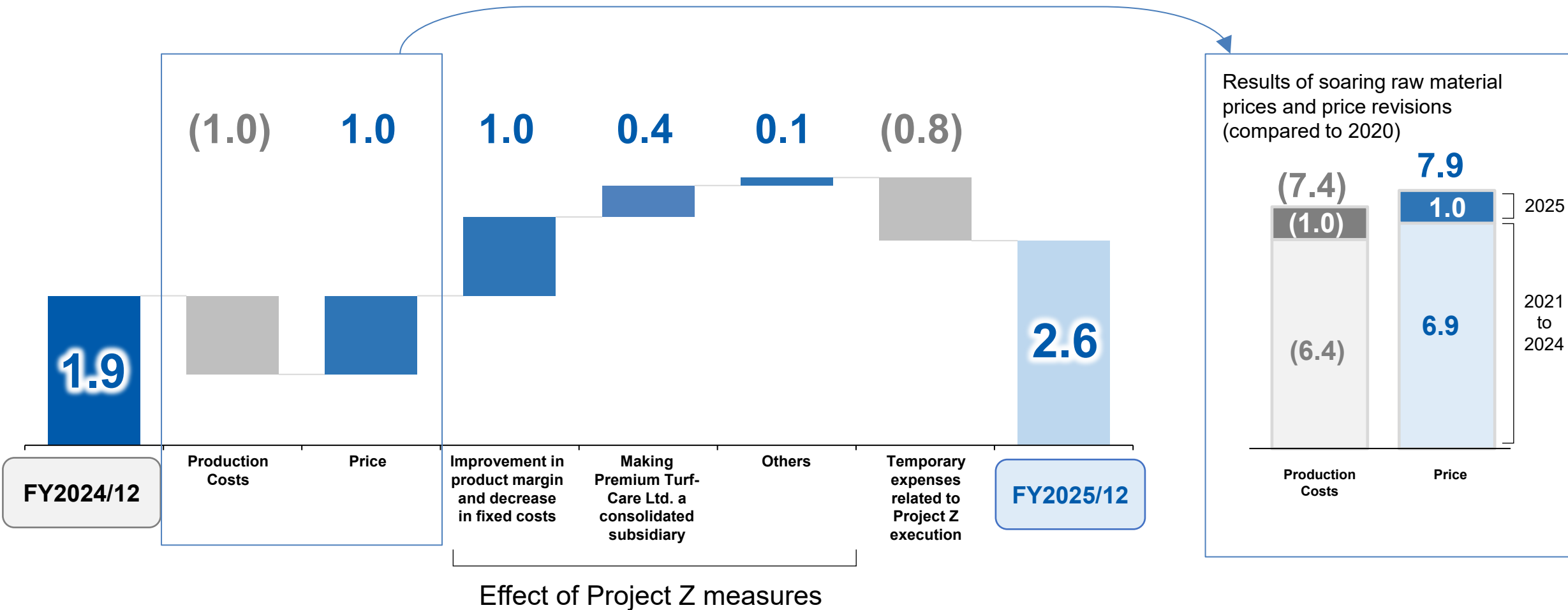
Develop products and services for neighboring countries of Thailand

Promote shipments after inventory adjustment in Korea

Main Factors for Changes in Operating Income Forecast

[Breakdown of YoY change (JPY bn)]

- Profit growth will be limited due to temporary expenses, despite partial effect of Project Z



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