

**RESULTS OF OPERATIONS FOR
THE FIRST QUARTER ENDED JUNE 30, 2014 (CONSOLIDATED)
(Japanese GAAP)**

August 7, 2014

Listed company name: Torishima Pump Mfg. Co., Ltd.
 Stock exchange listings: First Section of Tokyo Stock Exchange
 Code number: 6363 URL: <http://www.torishima.co.jp>
 Representative: Kotaro Harada, President
 Contact person: Koichi Otao, Executive Officer, General Manager of Accounting Department
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 Scheduled date of filing quarterly financial statements: August 11, 2014
 Scheduled date of starting dividend payment: -
 Preparing supplementary material on quarterly financial results: No
 Holding quarterly financial results presentation meeting: No

Note: The amounts are rounded down to the nearest million.

1. Consolidated financial results of the first quarter ended June 30, 2014 (April 1, 2014 through June 30, 2014)

(1) Operating results Millions of yen, except per share data

	Net sales		Operating income		Ordinary income		Net income	
		%		%		%		%
First quarter ended June 30, 2014	7,347	-10.0	-924	-	-1,025	-	-746	-
First quarter ended June 30, 2013	8,163	3.2	-935	-	-472	-	-236	-

Note: Comprehensive income: (First quarter ended June 30, 2014) ¥ -597 million (-%)
 (First quarter ended June 30, 2013) ¥ 77 million (-%)

	Net income per share	Net income per share-Diluted
	Yen	Yen
First quarter ended June 30, 2014	-26.57	-
First quarter ended June 30, 2013	-8.44	-

Note: % represents percentage change from a comparable previous period

(2) Financial position Millions of yen, except per share data

	Total assets	Net assets	Equity ratio
			%
June 30, 2014	64,958	34,533	52.2
March 31, 2014	68,062	34,524	49.7

(Reference): Shareholders' equity: (June 30, 2014) ¥ 33,906million (March 31, 2014) ¥ 33,944 million

2. Dividends

	Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Fiscal year end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2013	-	9.00	-	9.00	18.00
FY2014	-				
FY2014 (Forecast)		9.00	-	9.00	18.00

Note: Revision of forecast for dividend during this quarter: No

3. Forecast for fiscal year ending March 31, 2014

Millions of yen, except per share data

	Net sales		Operating income		Ordinary income		Net income		Net income per share
		%		%		%		%	Yen
First half	17,000	-4.6	-1,000	-	-1,000	-	-600	-	-21.36
Annual	49,000	-6.6	500	-	700	-	500	13.1	17.80

Note1: % represents percentage change from a previous year

Note2: Revision of the forecast during this quarter: No

4. Others

(1) Changes in significant subsidiaries during this period: No

(2) Adoption of special accounting methods for presenting quarterly consolidated financial statements: Yes

(For further details, please refer to page 5, “(2) Adoption of special accounting methods for presenting quarterly consolidated financial statements”.)

(3) Changes in accounting principles, accounting estimates and correction of prior period errors

① Changes of accounting principles due to revisions of accounting standards: Yes

② Changes of accounting principles other than the above: No

③ Changes in accounting estimates: No

④ correction of prior period errors: No

(4) Number of shares outstanding (Common stock)

① Number of shares outstanding at period end (including treasury stock)

(June 30, 2014) 29,889,079

(March 31, 2014) 29,889,079

② Number of treasury stock at period end

(June 30, 2014) 1,801,490

(March 31, 2014) 1,814,990

③ Weighed-average number of shares outstanding over the period

(April 1 - June 30, 2014) 28,077,395

(April 1 - June 30, 2013) 28,064,249

* Information regarding the implementation of quarterly review procedure

These quarterly financial results do not fall within the scope of the Quarterly Review Procedures referenced in the Financial Instruments and Exchange Act. At the time of disclosure of the quarterly financial results, the Group was in the process of implementing the quarterly review procedures for its quarterly financial statements.

* Explanation for adequate utilization of the forecast, and other note

Forecast shown above is prepared based on information available as of the issuing date of this report and assumptions that we consider as reasonable, and therefore the actual results may differ from these forecasted figures due to various unknown factors.

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1. Qualitative information for the first quarter of the FY2014

(1) Qualitative information on consolidated results of operations

During the first quarter of FY2014, in the U.S., consumer spending was stable and export showed signs of recovery despite concerns about the impact of unemployment rate and fiscal austerity measures. In Europe, high unemployment rate was prolonged however some countries showed movements of recovery. In emerging countries including China which had acted as a driving force for the world economy, economic growth rate declined slightly. The world economy, as a whole, continued uncertainty.

In Japan, the economy temporarily weakened in the recoil against the surge in demand after the consumption tax increased in April. Exported-related demand was still weak because of a decline in economic growth in emerging countries, the stop of the effect in depreciation of yen, and shift of production base to overseas. In addition, prices in important materials rose due to depreciation of yen, thus the economic recovery did not attain full-scale.

The pump manufacturing industry continued steady demand from overseas for water- and energy-related sector. However competition for orders in the industry continued severe as a result of stagnation of capital investment due to the world economic uncertainty centering on emerging countries.

Orders received during the first quarter of FY2014 (April 1, 2014-June 30, 2014) decreased by ¥6,137 million from the same period last year to ¥9,743 million. Orders received from domestic public sector decreased by ¥865 million from the same period last year to ¥3,028 million, orders received from domestic private sector increased by ¥187 million from the same period last year to ¥1,605 million and orders received from overseas sector decreased by ¥5,460 million from the same period last year to ¥5,108 million.

Net sales during the first quarter of FY2014 (April 1, 2014-June 30, 2014) decreased by ¥815 million from the same period last year to ¥7,347 million.

Operating losses during the first quarter of FY2014 (April 1, 2014-June 30, 2014) amounted to ¥924 million (operating losses during the same period last year was ¥935 million). Ordinary losses amounted to ¥1,025 million (ordinary losses during the same period last year was ¥472 million) because foreign exchange losses were ¥195 million. Net losses amounted to ¥746 million (net losses during the same period last year were ¥236 million).

(2) Qualitative information on consolidated financial position

At the end of the first quarter (June 30, 2014), the Group's total assets amounted to ¥64,958 million, ¥3,104 million lower than at the end of the previous fiscal year (March 31, 2014). Principal changes in assets items included a decline in notes and accounts receivable-trade of ¥6,173 million despite of an increase in work in process of ¥2,217 million.

Total liabilities at the end of the first quarter amounted to ¥30,424 million, ¥3,114 million lower than at the end of the previous fiscal year. Principal changes in liabilities items included a decline in notes and accounts payable-trade of ¥2,356 million.

Net assets at the end of the first quarter amounted to ¥34,533 million, ¥9 million higher than at the end of the previous fiscal year. Principal changes in net assets items included an increase in deferred gains or losses on hedges of ¥165 million.

(3) Qualitative information on consolidated earnings forecasts

Forecasts for fiscal year ending March 31, 2015 announced on May 13, 2014 have not been changed.

2. Other information

(1) Changes in significant subsidiaries during the first quarter of FY2014 (April 1, 2014-June 30, 2014)

No items to report

(2) Adoption of special accounting methods for presenting quarterly consolidated financial statements

In determining tax expenses, the effective tax rate after application of tax effect accounting for income before income taxes for the consolidated fiscal year, inclusive of the first quarter of consolidated FY2014, has been estimated in a rational manner, and tax expenses have been calculated by multiplying the quarterly income before income taxes and adjustments by this estimated effective tax rate.

However, we use the statutory effective tax rate in cases where the estimated effective tax rate is unavailable.

(3) Changes in accounting principles, accounting estimates and correction of prior period errors

(Application of accounting standard for retirement benefits)

Torishima Pump Mfg. Co., Ltd. has applied the Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan (ASBJ) Statement No.26 of May 17, 2012) and Guidance No.25 of May 17, 2012) to the main clause stipulated in Article 35 of the Accounting Standard for Retirement Benefits and Article 67 of the Guidance on Accounting Standard for Retirement Benefits since the first quarter of the current fiscal year. Under the new standard, the calculation of liabilities for retirement benefits and service costs has been revised and the method of attributing expected benefits to periods has been changed from straight-line basis to benefit formula basis. The determination of the discount rate has been changed from remaining service period basis to summation average discount rate basis.

In accordance with transitional accounting as stipulated in Article 37 of the Accounting Standard for Retirement Benefits, the effect of the changes in accounting policies arising from the revision of liabilities for retirement benefits and service costs is recognized in retained earnings, at the beginning of the first quarter of the current fiscal year.

As a result of adjustments, liabilities for retirement benefits have decreased by ¥1,330 million, and retained earnings have increased by ¥856 million at the beginning of the first quarter of the current fiscal year. The impact on operating loss, ordinary loss, and loss before income taxes and minority interests during the first quarter of the fiscal year is negligible.

3. Consolidated quarterly financial statement

(1) Consolidated quarterly balance sheet

(Millions of yen)

	End of previous consolidated fiscal year (March 31, 2014)	End of the first quarter of consolidated FY2014 (June 30, 2014)
Assets		
Current assets		
Cash and deposits	4,125	4,783
Notes and accounts receivable - trade	26,931	20,758
Securities	700	700
Merchandise and finished goods	459	458
Work in process	5,634	7,852
Raw materials and supplies	1,542	1,621
Advance payments - trade	422	302
Deferred tax assets	1,028	1,396
Other	1,289	1,516
Allowance for doubtful accounts	-243	-203
Total current assets	41,889	39,186
Non-current assets		
Property, plant and equipment	10,511	10,405
Intangible assets	2,219	2,217
Investments and other assets		
Investment securities	12,505	12,343
Other	1,144	1,016
Allowance for doubtful accounts	-208	-209
Total investments and other assets	13,441	13,150
Total non-current assets	26,173	25,772
Total assets	68,062	64,958

(Millions of yen)

	End of previous consolidated fiscal year (March 31, 2014)	End of the first quarter of consolidated FY2014 (June 30, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,881	9,525
Short-term loans payable	6,934	5,286
Income taxes payable	179	27
Advances received	1,971	2,874
Provision for bonuses	722	418
Provision for product warranties	720	860
Provision for loss on construction contracts	351	439
Other	2,042	2,532
Total current liabilities	24,804	21,964
Non-current liabilities		
Long-term loans payable	6,728	7,323
Provision for directors' retirement benefits	13	15
Net defined benefit liability	1,448	114
Other	543	1,006
Total non-current liabilities	8,734	8,460
Total liabilities	33,538	30,424
Net assets		
Shareholders' equity		
Capital stock	1,592	1,592
Capital surplus	7,822	7,828
Retained earnings	23,888	23,746
Treasury shares	-962	-955
Total shareholders' equity	32,342	32,212
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,072	1,128
Deferred gains or losses on hedges	-249	-84
Foreign currency translation adjustment	632	504
Remeasurements of defined benefit plans	145	144
Total accumulated other comprehensive income	1,602	1,694
Subscription rights to shares	101	95
Minority interests	477	532
Total net assets	34,524	34,533
Total liabilities and net assets	68,062	64,958

(2) Consolidated quarterly statement of (comprehensive) income

Consolidated quarterly statement of income (April 1 – June 30, 2014)

(Millions of yen)

	First quarter ended June 30, 2013 (April 1, 2013 - June 30, 2013)	First quarter ended June 30, 2014 (April 1, 2014 - June 30, 2014)
Net sales	8,163	7,347
Cost of sales	6,982	6,146
Gross profit	1,181	1,201
Selling, general and administrative expenses	2,116	2,126
Operating loss	-935	-924
Non-operating income		
Dividend income	90	123
Foreign exchange gains	394	—
Share of profit of entities accounted for using equity method	32	—
Rent income	16	31
Other	46	92
Total non-operating income	581	247
Non-operating expenses		
Interest expenses	29	31
Foreign exchange losses	—	195
Share of loss of entities accounted for using equity method	—	66
Other	89	54
Total non-operating expenses	118	347
Ordinary loss	-472	-1,025
Extraordinary income		
Gain on sales of investment securities	30	—
Total extraordinary income	30	—
Extraordinary losses		
Loss on sales of investment securities	4	—
Loss on valuation of investment securities	—	53
Loss on sales of shares of subsidiaries and associates	14	—
Total extraordinary losses	19	53
Loss before income taxes and minority interests	-462	-1,078
Income taxes	-253	-369
Loss before minority interests	-208	-708
Minority interests in income	28	37
Net loss	-236	-746

Consolidated quarterly statement of comprehensive income (April 1 – June 30, 2014)

(Millions of yen)

	First quarter ended June 30, 2013 (April 1, 2013 - June 30, 2013)	First quarter ended June 30, 2014 (April 1, 2014 - June 30, 2014)
Loss before minority interests	-208	-708
Other comprehensive income		
Valuation difference on available-for-sale securities	9	55
Deferred gains or losses on hedges	-25	165
Foreign currency translation adjustment	298	-59
Remeasurements of defined benefit plans, net of tax	—	-0
Share of other comprehensive income of entities accounted for using equity method	4	-48
Total other comprehensive income	286	111
Comprehensive income	77	-597
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9	-654
Comprehensive income attributable to minority interests	68	56

(3) Note for assumption of going concern

No items to report

Note for significant changes in the amount of shareholders' equity

No items to report

4. Additional information

(1) Orders received and sales

Orders received and sales by demand category

Orders received

(Millions of yen)

	From April 1, 2013 to June 30, 2013		From April 1, 2014 to June 30, 2014		Year-on-year comparison	
Public	3,894	24.5%	3,028	31.1%	-865	-22.2%
Private	1,418	8.9%	1,605	16.5%	187	13.2%
Overseas	10,568	66.6%	5,108	52.4%	-5,460	-51.7%
Total	15,881	100.0%	9,743	100.0%	-6,137	-38.6%

Sales

(Millions of yen)

	From April 1, 2013 to June 30, 2013		From April 1, 2014 to June 30, 2014		Year-on-year comparison	
Public	1,400	17.2%	1,223	16.7%	-177	-12.7%
Private	1,142	14.0%	1,443	19.6%	301	26.4%
Overseas	5,619	68.8%	4,680	63.7%	-939	-16.7%
Total	8,163	100.0%	7,347	100%	-815	-10.0%

Orders backlog

(Millions of yen)

	As of June 30, 2013		As of June 30, 2014		Year-on-year comparison	
Public	7,998	18.6%	9,436	21.1%	1,438	18.0%
Private	2,915	6.8%	3,646	8.2%	731	25.1%
Overseas	32,147	74.6%	31,517	70.7%	-629	-2.0%
Total	43,060	100.0%	44,601	100%	1,540	3.6%