

2. Dividends

	Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Fiscal year end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2014	-	9.00	-	9.00	18.00
FY2015	-	9.00	-		
FY2015 (Forecast)				9.00	18.00

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

3. Forecast for the fiscal year ending March 31, 2016

Millions of yen, except per share data

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	%		%		%		%		Yen
Annual	41,000	-11.8	700	74.8	300	-62.2	500	23.3	18.17

Note1: % represents percentage change from a previous year

Note2: Revision of the forecast during this quarter: Yes

4. Others

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

New: - Excluded: -

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

(For further details, please refer to page 3, “(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)

(April 1 – Dec. 31, 2015) 29,889,079 (March 31, 2015) 29,889,079

② Number of treasury stock at period end

(April 1 – Dec. 31, 2015) 2,371,037 (March 31, 2015) 2,401,805

③ Weighed-average number of shares outstanding over the period

(April 1 – Dec. 31, 2015) 27,508,927 (April 1 – Dec. 31, 2014) 27,813,451

-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 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. For matters related to the above forecast, please refer to page 3, “(3) Qualitative information on consolidated earnings forecasts”.

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1. Qualitative information, Financial Statements, etc.

(1) Qualitative information on consolidated results of operations

During the third quarter of the FY2015, in the U.S., The export and manufacturing showed a sluggish trend due to the appreciation of the US dollar and a sharp drop of oil prices despite a steadily continuing consumer spending. In addition, the announcement of the end of zero-interest-rate policy maintained since 2008 limited its economic recovery to modest level with fear of downward market trend.

In Europe, although there was little sign of full-swing recovery due to concerns about Syrian refugee crisis and threat of terrorism, the export to outside EU steadily grew with the weak Euro.

However, economic growth in emerging countries centering on China was weakening further, resulting in the uncertain outlook in the whole world.

In Japan, the economic condition was also unpredictable for the following reasons: The Nikkei Stock Average plunged to 16,000 yen-level due to concerns about implications of tapering monetary easing in the U.S, a sharp drop of the oil prices, and weakening emerging market economies. The yen appreciated to the 117 yen against dollar. The export did not show the strong trend due to the negative impact of sluggish emerging market economies centering on China and weak spending on plants and equipment resulting from uncertainty of the world economy.

The pump manufacturing industry remained steady demand for water- and energy-related infrastructural projects particularly overseas. However competition for orders in the industry continued to be severe for the following reasons; The economy in emerging countries centering on China was weak. Capital expenditure for plants, equipment and public works was slow. The Middle East economy was uncertain due to the collapse in oil prices.

Orders received during the third quarter of the FY2015 (April 1, 2015-Dec. 31, 2015) increased by ¥12,583 million from the same period last year to ¥46,240 million. Orders received from domestic public sector increased by ¥4,779 million from the same period last year to ¥14,542 million, orders received from domestic private sector increased by ¥1,584 million from the same period last year to ¥6,125 million, and orders received from overseas sector increased by ¥6,219 million from the same period last year to ¥25,571 million.

Net sales during the third quarter of the FY2015 (April 1, 2015-Dec. 31, 2015) decreased by ¥628 million from the same period last year to ¥27,062 million. Operating losses during the third quarter of the FY2015 (April 1, 2015-Dec. 31, 2015) amounted to ¥853 million (operating losses during the same period last year were ¥1,449million). The ratio of operating income to net sales amounted to -3.2%.

Ordinary losses during the third quarter of the FY2015 amounted to ¥1,126million (ordinary losses during the same period last year were ¥461 million) due to foreign exchange losses of ¥673 million posted as non-operating loss despite a gain on redemption of investment securities of ¥300 million posted as non-operating income. The ratio of ordinary income to net sales amounted to -4.2%.

Net losses during the third quarter of the FY2015 amounted to ¥734 million (net losses during the same period last year were ¥232million). The ratio of net income to net sales amounted to -2.7%. Net loss per share amounted to ¥26.70. From the first quarter under review, the Group is applying the Accounting Standard for Business Combinations (ASBJ Statement No. 21; September 13, 2013) etc. Under the accounting standard applied, net loss is presented as “loss attributable to owners of parent.”

(2) Qualitative information on consolidated financial position

At the end of the third quarter (Dec. 31, 2015), the Group's total assets amounted to ¥65,815 million, ¥6,171 million lower than at the end of the previous fiscal year (March 31, 2015). Principal changes in asset items included a decline in notes and accounts receivable-trade of ¥6,529 million, and a decline in investment securities of ¥380 million despite an increase in work in process of ¥1,455 million

Total liabilities amounted to ¥30,355 million, ¥5,099 million lower than at the end of the previous fiscal year. Principal changes in liability items included and a decrease in notes and accounts payable-trade of ¥4,413 million and a decrease in short-term loans payable of ¥1,872 million despite an increase in advances received of ¥894 million

Net assets amounted to ¥35,459million, ¥1,072 million lower than at the end of the previous fiscal year. Principal changes in net asset items included a decrease in foreign currency translation adjustment of ¥244 million.

(3) Qualitative information on consolidated earnings forecasts

In light of business results during the third quarter of the FY2015, Torishima Pump Mfg. Co., Ltd. (hereinafter "the Company") amended forecasts for the fiscal year ending March 31, 2016 announced on May 12, 2015 as below.

Forecast shown below is 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.

The consolidated financial forecasts for FY 2015 (April 1, 2015 through March 31, 2016)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Previous forecasts (A)	43,000	1,000	1,400	1,000
New forecasts (B)	41,000	700	300	500
Amount changed (B - A)	-2,000	-300	-1,100	-500
% of change	-4.7	-30.0	-78.6	-50.0
Results of a year earlier	46,501	400	793	405

2. Other information

(1) Changes in significant subsidiaries during this period (Oct 1, 2015-Dec 31, 2015)

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 third quarter of consolidated FY2015, 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 Business Combinations, etc.

Effective April 1, 2015, the Company has applied “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (ASBJ) Statement No. 21 issued on September 13, 2013), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22 issued on September 13, 2013) and “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7 issued on September 13, 2013). As a result, the accounting method was changed to record the difference arising from changes in the equity in subsidiaries under ongoing control of the Company as capital surplus, and acquisition-related costs as expenses for the fiscal year in which they are incurred. In addition, with respect to any business combination entered into on or after the first day of the first quarter under review, the accounting method was changed to reflect adjustments to the allocation of acquisition cost under provisional accounting treatment on the consolidated financial statements of the quarterly financial period in which the relevant business combinations became or will become effective. Furthermore, the presentation of quarterly net income, etc., was changed, and “minority interests” was changed to “non-controlling interests.” In order to reflect the changes in the presentation, certain reclassifications have been made to the quarterly consolidated financial statements with respect to the second quarter of the previous fiscal year.

The Company has applied the Accounting Standard for Business Combinations, etc. in accordance with transitional provisions in paragraph 58-2(4) of the Accounting Standard for Business Combinations, paragraph 44-5(4) of the Accounting Standard for Consolidated Financial Statements and paragraph 57-4(4) of the Accounting Standard for Business Divestitures, prospectively on April 1, 2015.

As a result, operating loss and ordinary loss during the third quarter under review increased ¥0 million respectively. Net loss before income taxes and minority interests decreased by ¥39 million. Capital surplus at the end of the second quarter under review decreased by ¥38 million

3. Consolidated quarterly financial statement

(1) Consolidated quarterly balance sheet

(Millions of yen)

	End of previous consolidated fiscal year (March 31, 2015)	End of the third quarter of consolidated FY2015 (December 31, 2015)
Assets		
Current assets		
Cash and deposits	4,439	4,956
Notes and accounts receivable - trade	26,616	20,086
Merchandise and finished goods	248	263
Work in process	6,655	8,110
Raw materials and supplies	1,934	1,832
Advance payments - trade	812	268
Deferred tax assets	905	1,139
Other	1,376	1,306
Allowance for doubtful accounts	△84	△167
Total current assets	42,904	37,797
Non-current assets		
Property, plant and equipment	10,611	10,162
Intangible assets	2,295	2,170
Investments and other assets		
Investment securities	14,323	13,943
Other	2,075	2,246
Allowance for doubtful accounts	△223	△504
Total investments and other assets	16,175	15,685
Total non-current assets	29,082	28,017
Total assets	71,987	65,815

(Millions of yen)

	End of previous consolidated fiscal year (March 31, 2015)	End of the third quarter of consolidated FY2015 (December 31, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,110	5,696
Short-term loans payable	8,356	6,483
Income taxes payable	111	187
Advances received	1,812	2,706
Provision for bonuses	683	356
Provision for product warranties	636	569
Provision for loss on construction contracts	436	304
Other	2,994	2,536
Total current liabilities	25,140	18,842
Non-current liabilities		
Long-term loans payable	8,782	10,004
Provision for directors' retirement benefits	12	13
Net defined benefit liability	249	252
Other	1,270	1,242
Total non-current liabilities	10,314	11,513
Total liabilities	35,454	30,355
Net assets		
Shareholders' equity		
Capital stock	1,592	1,592
Capital surplus	7,828	7,800
Retained earnings	24,650	23,421
Treasury shares	△1,499	△1,479
Total shareholders' equity	32,573	31,334
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,614	1,736
Deferred gains or losses on hedges	△456	△86
Foreign currency translation adjustment	1,503	1,259
Remeasurements of defined benefit plans	725	683
Total accumulated other comprehensive income	3,386	3,593
Subscription rights to shares	109	94
Non-controlling interests	463	436
Total net assets	36,532	35,459
Total liabilities and net assets	71,987	65,815

(2) Consolidated quarterly statement of income
(April 1 – December 31, 2015)

	(Millions of yen)	
	Third quarter ended December 31, 2014 (April 1, 2014 - December 31, 2014)	Third quarter ended December 31, 2015 (April 1, 2015 - December 31, 2015)
Net sales	27,690	27,062
Cost of sales	22,831	21,366
Gross profit	4,859	5,695
Selling, general and administrative expenses	6,308	6,549
Operating loss	△1,449	△853
Non-operating income		
Dividend income	191	181
Foreign exchange gains	914	—
Gain on redemption of investment securities	—	300
Rent income	94	103
Other	163	138
Total non-operating income	1,365	723
Non-operating expenses		
Interest expenses	109	112
Foreign exchange losses	—	673
Share of loss of entities accounted for using equity method	125	102
Other	141	108
Total non-operating expenses	377	997
Ordinary loss	△461	△1,126
Extraordinary income		
Gain on sales of investment securities	42	—
Gain on sales of shares of subsidiaries and associates	—	201
Total extraordinary income	42	201
Extraordinary losses		
Loss on sales of investment securities	—	86
Total extraordinary losses	—	86
Loss before income taxes and minority interests	△418	△1,011
Income taxes	△276	△228
Loss	△142	△783
Profit (loss) attributable to non-controlling interests	90	△49
Loss attributable to owners of parent	△232	△734

Consolidated quarterly statement of comprehensive income
(April 1 – December 31, 2015)

(Millions of yen)

	Third quarter ended December 31, 2014 (April 1, 2014 - December 31, 2014)	Third quarter ended December 31, 2015 (April 1, 2015 - December 31, 2015)
Loss	△142	△783
Other comprehensive income		
Valuation difference on available-for-sale securities	190	122
Deferred gains or losses on hedges	△541	370
Foreign currency translation adjustment	△192	△253
Remeasurements of defined benefit plans, net of tax	△2	△41
Share of other comprehensive income of entities accounted for using equity method	51	△9
Total other comprehensive income	△494	187
Comprehensive income	△636	△595
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△712	△527
Comprehensive income attributable to non-controlling interests	75	△68

(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, 2014 to December 31, 2014		From April 1, 2015 to December 31, 2015		Year-on-year comparison	
Public	9,763	29.0%	14,542	31.5%	4,779	49.0%
Private	4,541	13.5%	6,125	13.2%	1,584	34.9%
Overseas	19,352	57.5%	25,571	55.3%	6,219	32.1%
Total	33,656	100.0%	46,240	100.0%	-11,504	37.4%

Sales

(Millions of yen)

	From April 1, 2014 to December 31, 2014		From April 1, 2015 to December 31, 2015		Year-on-year comparison	
Public	4,503	16.3%	3,809	14.1 %	-694	-15.4%
Private	4,552	16.4%	5,048	18.6%	495	10.9%
Overseas	18,634	67.3%	18,204	67.3%	-429	-2.3%
Total	27,690	100.0%	27,062	100.0%	-628	-2.3%

Orders backlog

(Millions of yen)

	From April 1, 2014 to December 31, 2014		From April 1, 2015 to December 31, 2015		Year-on-year comparison	
Public	12,890	26.8%	17,408	30.1%	4,517	35.0%
Private	3,473	7.2%	5,358	9.3%	1,885	54.3%
Overseas	31,807	66.0%	34,993	60.6%	3,186	10.0%
Total	48,171	100.0%	57,760	100.0%	9,588	19.9%