

Consolidated Financial Results for the 2nd Quarter of FY2019

(April 1st 2019 ~ September 30th 2019)

< November 14th 2019 >

TORISHIMA PUMP MFG.CO.,LTD.

Securities Code : 6363

www.torishima.co.jp/en

2Q FY2019 Financial Results Outline

| | | Billions of yen | YOY billions of yen |
|--------------------|-----|-----------------|------------------------|
| ● Orders Received | ... | 23.7 | -8.4 |
| ● Sales | ... | 17.6 | -1.5 |
| ● Operating Income | ... | -1.8 | -1.4 |
| ● Ordinary Income | ... | -1.9 | -2.1 |
| ● Net Income | ... | -2.4 | -2.4 |

2Q FY2019 Consolidated Financial Results and Revised Plan



Orders received: 12% increased in private-sector, 15% decreased in public-sector, 43% decreased in overseas.

Overall it decreased by 26% to 23.7 billion yen.

Sales : 16% increased in private-sector, 13% decreased in public-sector, 14% decreased in overseas. Overall it decreased by 28% to 17.6 billion yen.

Income : See the following pages.

Net income includes the reversal of deferred tax assets (-0.3 billion yen).

| Billions of yen | FY2018 2Q | FY2019 2Q | YOY | | Full-year plan | | Decrease |
|---|-----------------|------------------|------------------|-------------|-----------------|-----------------|------------------|
| | | | Amount | % | Initial | Revised | |
| Orders Received | 32.1 | 23.7 | -8.4 | -26.2% | 46.0 | Unchanged | — |
| Sales | 19.1 | 17.6 | -1.5 | -7.9% | 46.0 | Unchanged | — |
| Gross Operating Income (Gross profit margin) | 4.6 (23.9%) | 3.9 (22.2%) | -0.7 (-1.7pt) | -15.2% — | 12.6 (27.4%) | 11.6 (25.2%) | -1.0 (-2.2pt) |
| SG&A expense | 4.9 | 5.7 | +0.8 | +16.3% | 10.1 | 10.7 | +0.6 |
| Operating income (Operating profit margin) | -0.4 (-1.9%) | -1.8 (-10.2%) | -1.4 (-8.3pt) | — — | 2.5 (5.4%) | 0.9 (0.2%) | -1.6 (-5.2pt) |
| Non-operating Profit or loss | 0.4 | -0.1 | -0.5 | — | — | — | — |
| Ordinary income | 0.2 | -1.9 | -2.1 | — | 2.5 | 0.8 | -1.7 |
| Extraordinary profit or loss | -0.0 | -0.2 | -0.2 | — | — | — | — |
| Net income | 0.0 | -2.4 | -2.4 | — | 1.8 | 0.1 | -1.7 |

Foreign exchange rate (1USD) ¥106.24 31st Mar 2018
¥113.57 30th Sep 2018

¥110.99 31st Mar 2019
¥107.92 30th Sep 2019

Main factors of decreased income (compared to the full-year plan announced in May 2019)

The amount circled is scheduled to record in the second-half

Billions of yen

| | Main factors | Decrease in gross profit income | Decrease in operating income | Total |
|---|---|---------------------------------|------------------------------|------------|
| 1 | Bankruptcy of a customer (Provision for loss on construction contracts / for doubtful accounts) | 0.2 | 0.5 | 0.7 |
| 2 | Decrease sales and profit of a overseas subsidiary (after-sales service company in the UAE (TSS)) | 0.2 + 0.2 | | 0.4 |
| 3 | Increase in sales cost | 0.2 | | 0.2 |
| 4 | Decrease in sales and profit of wind power generators | 0.2 | | 0.2 |
| Recorded in the first-half | | 0.8 | 0.5 | 1.3 |
| Scheduled to record in the second-half | | 0.2 | 0.0 | 0.2 |
| Total | | 1.0 | 0.5 | 1.5 |

Main factors of decreased income

(compared to the full-year plan announced in May 2019)

1. Bankruptcy of a customer

(Provision for loss on construction contracts / for doubtful accounts)

| | |
|-----------------|---|
| Project | Construction of water transmission pumping station |
| Contract Scope | Supply, installation, testing and commissioning for mechanical and electrical works |
| Contract Period | 25 th Oct. 2017 – 30 th Nov. 2018 + warranty period 12 months |
| Country | Saudi Arabia |
| Contractor | A local contractor |

During the execution of the project above, the contractor filed for bankruptcy to the Saudi Ministry of Justice and the Dammam Commercial Court (September 19, 2019) and it is under the reorganization. As a result, a provision for doubtful accounts of 500 million yen and a provision for loss on construction contracts of 200 million yen were recorded in the first-half year.

Main factors of decreased income

(compared to the full-year plan announced in May 2019)

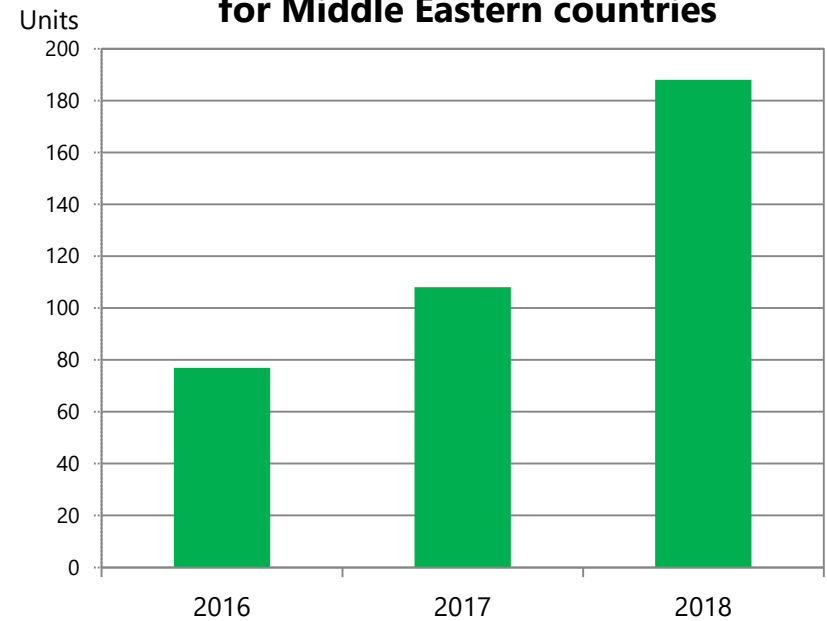
2. Decrease in sales and profit of a overseas subsidiary (after-sales service company in the UAE (TSS))

TSS, located in Dubai, has consistently delivered substantial profits since its establishment in 2010. However this year has seen a drop off in profit linked directly to a reduction in Torishima spare parts, coupled with lower profit service work on non-Torishima pumps. The business is predicted to return to original profit level in a short period driven by the large numbers of new pumps being installed in Saudi Arabia and other Middle Eastern countries.

TSS Orders received



Torishima's orders received for large-size pumps for Middle Eastern countries



3. Increase in sales cost

- > Initial manufacturing issues resulted in additional costs for our newly developed pumps.

4. Decrease in sales and profit of wind power generators

- > A number of wind power generators were not operational for 3 months due to localized lightening strikes. These resumed operation in mid-October, however a loss of 3 months revenue and repair costs impacted the profit.

2Q FY2019 Financial Results

(Non-consolidated / Subsidiaries)



■ Non-consolidated

| | FY2018 2Q | FY2019 2Q | YOY | |
|---|-----------------|------------------|-------------------|-------------|
| | | | Amount | % |
| Sales | 14.6 | 13.7 | - 0.9 | - 6.2% |
| Gross Operating Income (Gross profit margin) | 2.4 (16.6%) | 2.1 (15.3%) | - 0.3 (-0.5pt) | -12.5% — |
| SG&A expense | 3.3 | 4.0 | +0.7 | +21.2% |
| Operating income (Operating profit margin) | ▲0.9 (▲6.0%) | ▲1.9 (▲13.9%) | -1.0 (-7.9pt) | — |

■ Subsidiaries

Billions of yen

| | FY2017 2Q | FY2018 2Q | YOY | |
|---|----------------|----------------|--------------------|--------------|
| | | | Amount | % |
| Sales | 4.5 | 3.9 | - 0.6 | - 13.3% |
| Gross Operating Income (Gross profit margin) | 2.2 (48.9%) | 1.8 (46.2%) | - 0.4 (- 2.7pt) | - 18.2% — |
| SG&A expense | 1.6 | 1.7 | +0.1 | +6.3% |
| Operating income (Operating profit margin) | 0.5 (11.1%) | 0.1 (2.6%) | - 0.4 (-8.5pt) | - 80.0% |

2Q FY2010 Revised Full-year Plan (Non-consolidated / Subsidiaries)

■ Non-consolidated

Billions of yen

| | FY2018 2Q | FY2019 2Q | YOY Amount |
|---|----------------|----------------|------------------|
| Sales | 37.0 | 37.0 | ±0 |
| Gross Operating Income (Gross profit margin) | 8.0 (21.6%) | 7.5 (20.3%) | ▲0.5 (▲1.3pt) |
| SG&A expense | 6.8 | 7.4 | +0.6 |
| Operating income (Operating profit margin) | 1.2 (3.2%) | 0.1 (0.3%) | ▲1.1 (▲2.9pt) |

■ Subsidiaries

Billions of yen

| | FY2018 2Q | FY2019 2Q | YOY Amount |
|---|----------------|----------------|------------------|
| Sales | 9.0 | 9.0 | ±0 |
| Gross Operating Income (Gross profit margin) | 4.6 (51.1%) | 4.1 (45.6%) | ▲0.5 (▲5.5pt) |
| SG&A expense | 3.3 | 3.3 | ±0 |
| Operating income (Operating profit margin) | 1.3 (14.4%) | 0.8 (8.9%) | ▲0.5 (▲8.5t) |

Appendix

Orders received, Sales and Orders backlog by segment



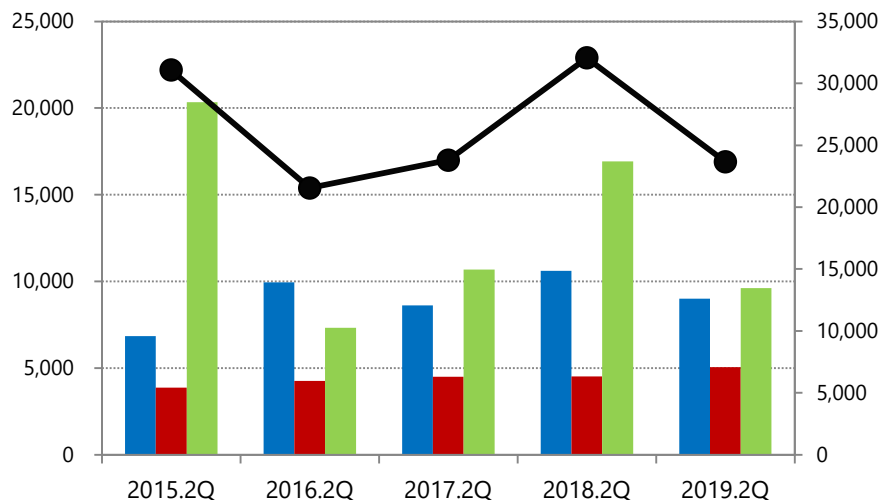
Millions of yen

| | FY2018 First-half | | | FY2019 First-half | | |
|----------|-------------------|--------|---------------|-------------------|--------|---------------|
| | Orders received | Sales | Order Backlog | Orders received | Sales | Order Backlog |
| Public | 10,603 | 4,614 | 18,071 | 9,007 | 4,004 | 17,588 |
| YOY | 23.2% | 21.3% | -7.8% | -15.1% | -13.2% | -2.7% |
| Private | 4,513 | 3,783 | 6,460 | 5,051 | 4,401 | 7,098 |
| YOY | 0.4% | -7.7% | 14.3% | 11.9% | 16.3% | 9.9% |
| Overseas | 16,933 | 10,735 | 33,713 | 9,605 | 9,166 | 30,347 |
| YOY | 58.4% | 48.9% | 5.6% | -43.3% | -14.6% | -10.0% |
| Total | 32,050 | 19,133 | 58,245 | 23,664 | 17,572 | 55,034 |
| YOY | 34.7% | 26.6% | 1.9% | -26.2% | -8.2% | -5.5% |

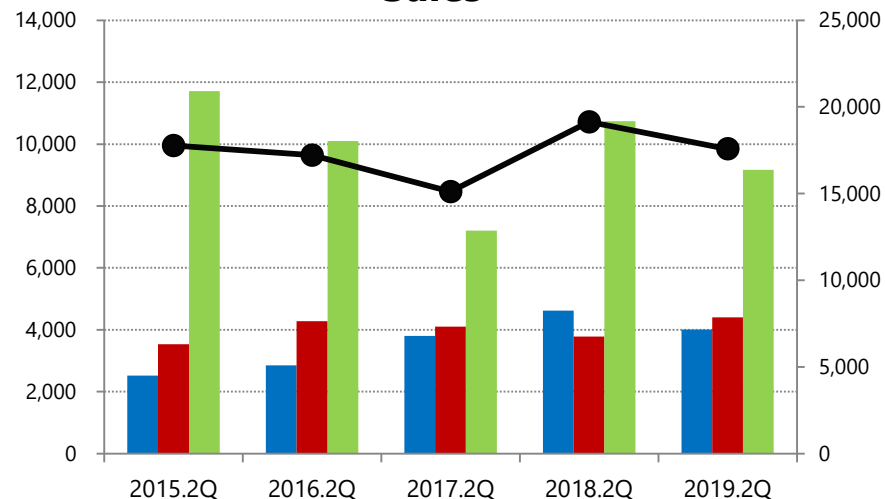
Orders received, Sales and Orders backlog by segment



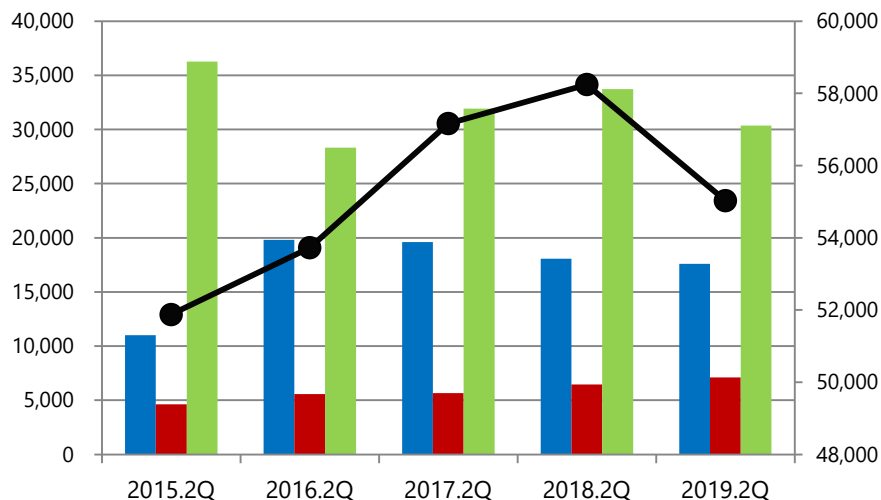
Orders received



Sales



Order backlog



Left

Public Private Overseas

Total

● Total

Millions of yen

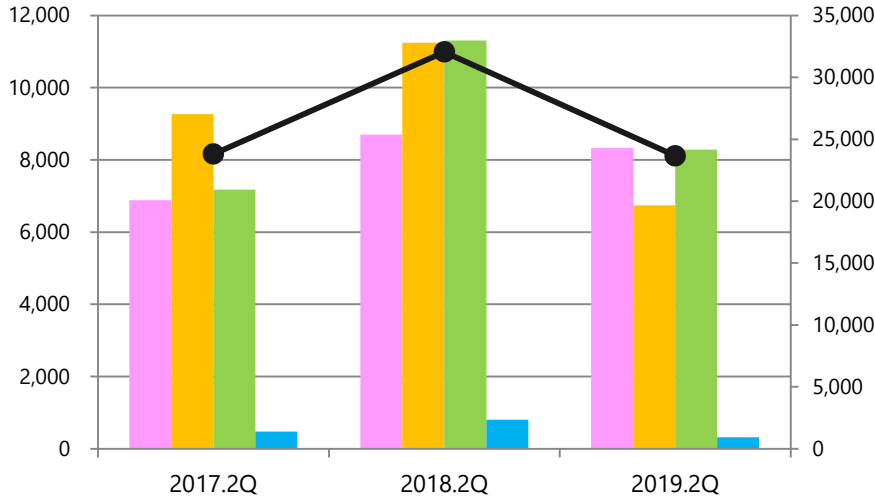
Orders received, Sales and Orders backlog by business domain

Millions of yen

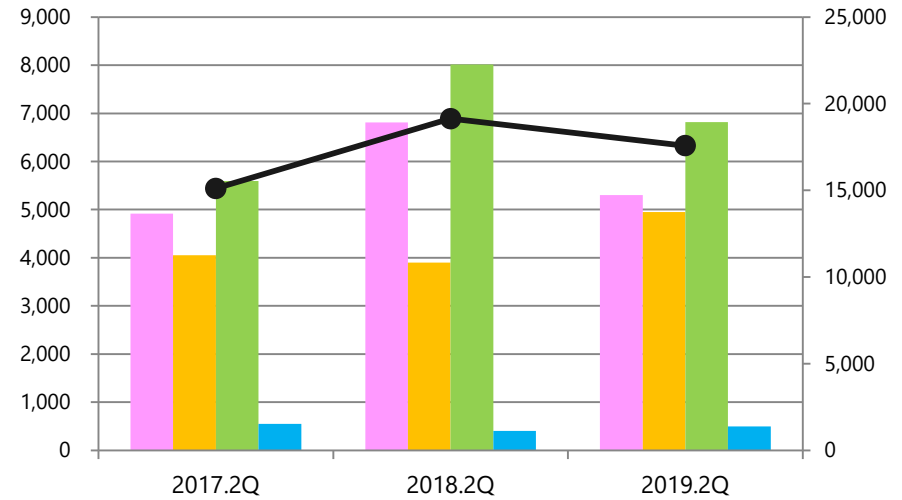
| | FY2018 First-half | | | FY2019 First-half | | |
|--|-------------------|--------|---------------|-------------------|---------|---------------|
| | Orders received | Sales | Order Backlog | Orders received | Sales | Order Backlog |
| High-tech Pumps | 8,704 | 6,812 | 17,725 | 8,331 | 5,304 | 21,095 |
| YOY | 26.4% | 38.5% | 9.6% | - 4.3% | - 22.1% | 19.0% |
| Projects | 11,240 | 3,902 | 30,334 | 6,741 | 4,950 | 24,583 |
| YOY | 21.31% | -3.7% | -8.5% | - 40.0% | 26.9% | - 19.0% |
| Service Solutions (aftermarket service) | 11,306 | 8,014 | 9,700 | 8,281 | 6,819 | 9,201 |
| YOY | 57.6% | 43.3% | 26.6% | - 26.8% | - 14.9% | - 5.1% |
| Renewable Energy and Environment | 800 | 406 | 486 | 312 | 499 | 156 |
| Total | 32,050 | 19,133 | 58,245 | 23,665 | 17,572 | 55,035 |
| YOY | 34.7% | 26.6% | 1.9% | - 26.2% | - 8.2% | - 5.5% |

Orders received, Sales and Orders backlog by business domain

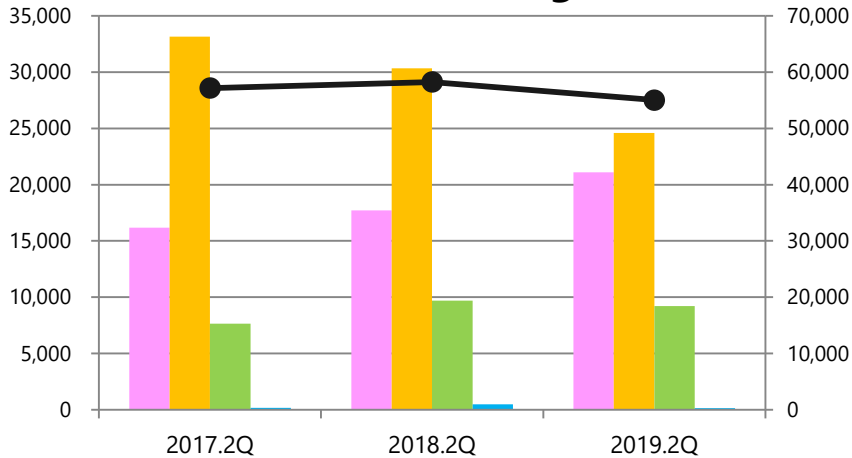
Orders received



Sales



Order backlog



Left

- High-tech Pumps
- Projects
- Service Solutions (aftermarket service)
- Renewable Energy and Environment

Right

- Total

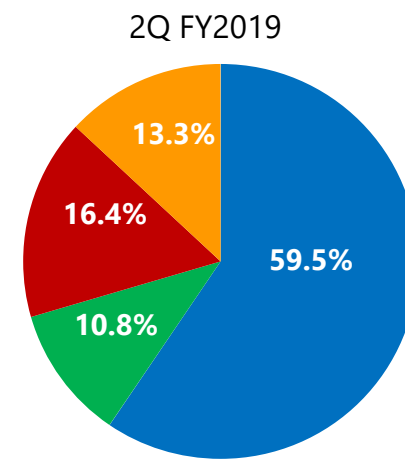
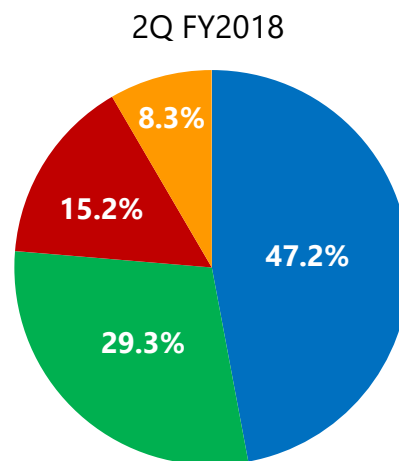
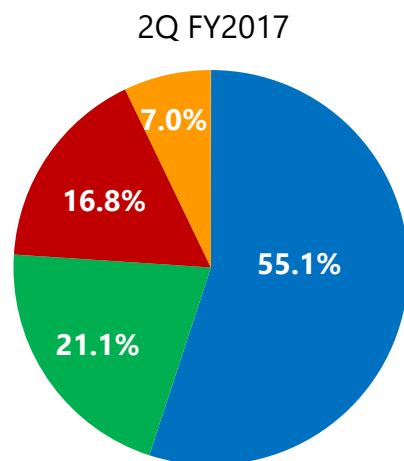
Millions of yen

Orders Received breakdown by region

Billions of yen

| | Japan | Overseas | Breakdown | | | Total |
|-----------|-----------------|-----------------|----------------|----------------|----------------|-------|
| | | | Asia | Middle East | Others | |
| 2Q FY2017 | 13.1 (55.1%) | 10.7 (44.9%) | 5.0 (21.1%) | 4.0 (16.8%) | 1.7 (7.0%) | 23.8 |
| 2Q FY2018 | 15.1 (47.2%) | 16.9 (52.8%) | 9.4 (29.3%) | 4.9 (15.2%) | 2.7 (8.3%) | 32.1 |
| 2Q FY2019 | 14.1 (59.5%) | 9.6 (40.5%) | 2.6 (10.8%) | 3.9 (16.4%) | 3.1 (13.3%) | 23.7 |

■ Japan ■ Asia ■ Middle East ■ Other

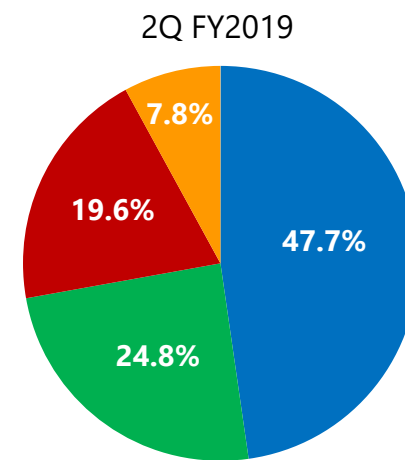
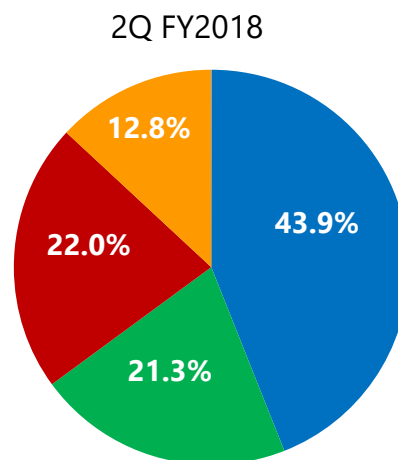
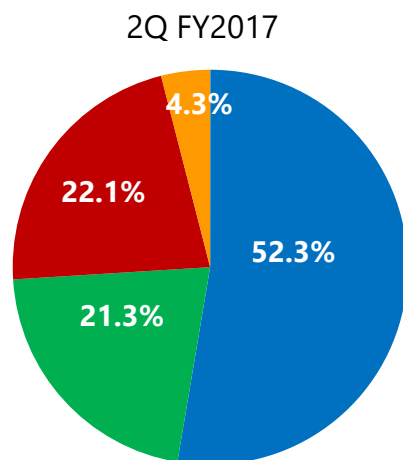


Sales breakdown by region

Billions of yen

| | Japan | Overseas | Breakdown | | | Total |
|-----------|----------------|-----------------|----------------|----------------|----------------|-------|
| | | | Asia | Middle East | Others | |
| 2Q FY2017 | 7.9 (52.3%) | 7.2 (47.7%) | 3.2 (21.3%) | 3.3 (22.1%) | 0.6 (4.3%) | 15.1 |
| 2Q FY2018 | 8.4 (43.9%) | 10.7 (56.1%) | 4.1 (21.3%) | 4.2 (22.0%) | 2.4 (12.8%) | 19.1 |
| 2Q FY2019 | 8.4 (47.8%) | 9.2 (52.2%) | 4.4 (24.8%) | 3.4 (19.6%) | 1.4 (7.8%) | 17.6 |

■ Japan ■ Asia ■ Middle East ■ Other



Forecasts regarding future performance in these materials are based on judgment made in accordance with information available at the time this presentation was prepared. Therefore, please notice that there is a risk or uncertainty that the actual results may be different from these predicted results, depending on various factors.

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