

Consolidated Financial Results for the 2nd Quarter of FY2018

(April 1st 2018 ~ September 30th 2018)

< November 14th 2018 >

TORISHIMA PUMP MFG.CO.,LTD.

Securities Code : 6363

www.torishima.co.jp/en

2Q FY2018 Results Overview

- **Orders received increased in all sectors.**
(domestic public, domestic private and overseas)
- **Both sales and profit increased.**
Particularly aftermarket business has steadily progressed.
- **Making a steady progress toward full-year plan.**

2Q FY2018 Financial Results Outline

		Billions of yen	YOY billions of yen
● Orders Received	...	32.1	+8.3
● Sales	...	19.1	+4.0
● Operating Income	...	-0.4	+0.4
● Ordinary Income	...	0.2	+0.9
● Net Income	...	0.0	+0.8

2Q FY2018 Consolidated Financial Results



Orders received: 23% increased in public-sector, slightly increased in private-sector, 58% increased in overseas.

Overall it increased by 35% to 32.1 billion yen.

Sales: 21% increased in public-sector, 8% increased in private-sector, 49% increased in overseas. Overall it increased by 27% to 19.1 billion yen.

Income: Operating income improved by 0.4 billion yen although SG&A increased by 0.3 billion yen.

Ordinary income increased by 0.9 billion yen due to the recording foreign exchange gains and other factors in non-operating profit.

Made a profit in both ordinary income and net income on a second quarter basis.

Billions of yen	FY2017 2Q	FY2018 2Q	YOY		Full-year plan FY2018	progress
			Amount	%		
Orders Received	23.8	32.1	+8.3	+34.9%	45.0	71.3%
Sales	15.1	19.1	+4.0	+26.5%	46.0	41.5%
Gross Operating Income (Gross profit margin)	3.8 (25.1%)	4.6 (23.9%)	+0.8 (-1.2pt)	+21.1% —	—	—
SG&A expense	4.6	4.9	+0.3	+6.5%	—	—
Operating income (Operating profit margin)	-0.8 (-5.3%)	-0.4 (-1.9%)	+0.4 (+3.4pt)	— —	2.0	—
Non-operating Profit or loss	0.1	0.4	+0.3	—	—	—
Ordinary income	-0.7	0.2	+0.9	—	2.0	10%
Extraordinary profit or loss	-0.0	-0.0	-0.0	—	—	—
Net income	-0.8	0.0	+0.8	—	1.4	0.3%

*Foreign exchange rate
(1USD)

¥112.19 31st Mar 2017
¥112.73 30th Sep 2017

¥106.24 31st Mar 2018
¥113.57 30th Sep 2018

2Q FY2018 Financial Results

(Non-consolidated / Subsidiaries)

■ Non-consolidated

	FY2017 2Q	FY2018 2Q	YOY	
			Amount	%
Sales	11.7	14.6	+2.9	+24.8%
Gross Operating Income (Gross profit margin)	2.1 (18.0%)	2.4 (16.6%)	+0.3 (-1.4pt)	+14.3% —
SG&A expense	3.1	3.3	+0.2	+6.5%
Operating income (Operating profit margin)	-1.0 (-8.7%)	-0.9 (-0.6%)	+0.1 (+2.7pt)	—

■ Subsidiaries

Billions of yen

	FY2017 2Q	FY2018 2Q	YOY	
			Amount	%
Sales	3.4	4.5	+1.1	+32.4%
Gross Operating Income (Gross profit margin)	1.7 (50.0%)	2.2 (48.9%)	+0.5 (-1.1pt)	+29.4% —
SG&A expense	1.5	1.6	+0.1	+6.7%
Operating income (Operating profit margin)	0.2 (14.5%)	0.5 (11.1%)	-0.3 (+5.2pt)	+150.0% —

- Sales largely increased by 24.8%.
- Gross profit margin declined by 1.4% due mainly to;
 - the proportion of overseas projects sales with relatively low profitability increased,
 - large-scale projects with low profit margins were included in the public-sector sales recorded.
- Operating income improved and operating profit margin increased.

- Aftermarket service subsidiaries made a steady progress, increased in both sales and income.
- In particular, the aftermarket service business in Asia has steadily expanded contributed by the subsidiaries such as Torishima Service Solutions Asia (TSSA) and Torishima Service Solutions Thailand (TSST).

2Q FY2018 Balance Sheet

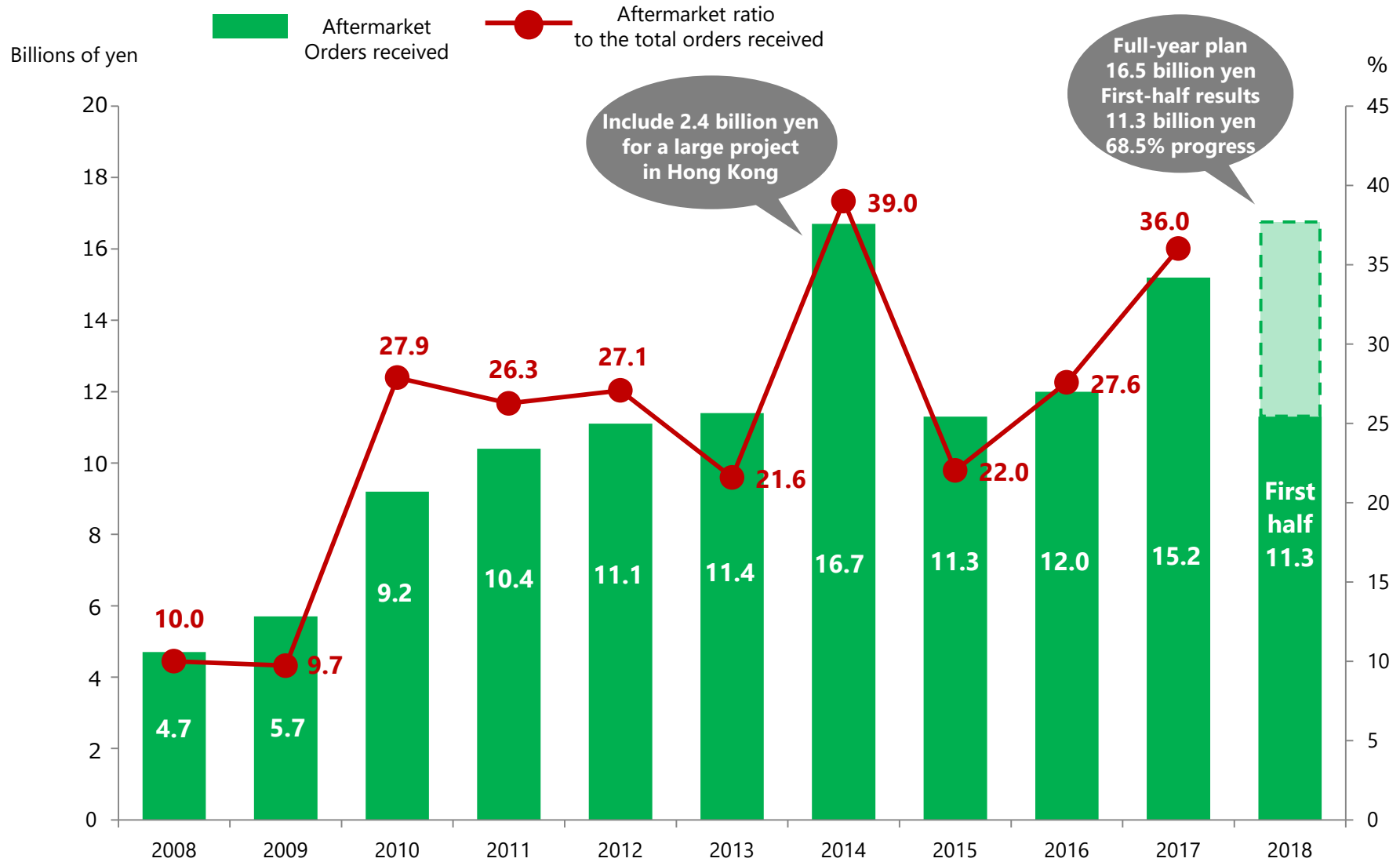
Millions of yen

Assets	End of Mar. 2017	End of Sep. 2018	YOY
Cash and deposits	11,474	14,367	+ 2,893
Notes and accounts receivable	26,784	19,775	▲7,009
Inventory	9,530	9,215	▲315
Allowance for doubtful accounts	▲841	▲996	+155
Total current assets	48,556	43,934	▲4,622
Total non-current assets	22,615	23,465	+850
Total assets	71,171	67,400	▲3,771
Liabilities and Net Assets	End of Mar. 2017	End of Sep. 2018	YOY
Notes and accounts payable - trade	10,998	6,861	▲4,137
Short-term loans payable	4,196	3,167	▲1,029
Advances received	3,091	4,059	+968
Provision for product warranties	722	706	▲16
Provision for loss on construction contracts	1,635	1,680	+45
Total current liabilities	24,130	19,556	▲4,574
Long-term loans payable	11,095	11,557	+462
Non-controlling interests	13,023	13,759	+736
Total net assets	34,017	34,084	+67
Total liabilities and net assets	71,171	67,400	▲3,711

Collected accounts receivable as planned, increased cash and sdeposits

Provision increased with increased sales, while collected accounts receivable as planned.

Expansion of aftermarket service business



FY

Steadily progress toward full-year plan

Billions of yen

	FY2017 Results	FY2018		
		First-half results	Progress	Full-year plan
Orders Received	42.2	32.1	71.3%	45.0
Sales	45.4	19.1	41.5%	46.0
Gross Operating Income (Gross profit margin)	11.0 (24.2%)	4.6 (23.9%)	38.0% —	12.1 (26.3%)
SG&A expense	9.7	4.9	48.5%	10.1
Operating income (Operating profit margin)	1.3 (2.9%)	-0.4 (-1.9%)	—	2.0 (4.4%)
Non-operating Profit or loss	1.6	0.2	10%	2.0
Ordinary income	0.9	0.0	0.3%	1.4

■ Non-consolidated

	FY2017 Results	FY2018	
		First-half results	Full-year plan
Sales	37.0	14.6	37.0
Gross Operating Income (Gross profit margin)	7.0 (18.9%)	2.4 (16.6%)	7.7 (20.8%)
SG&A expense	6.5	3.3	6.9
Operating income (Operating profit margin)	0.4 (1.2%)	-0.9 (-6.0%)	0.8 (2.2%)

■ Subsidiaries

Billions of yen

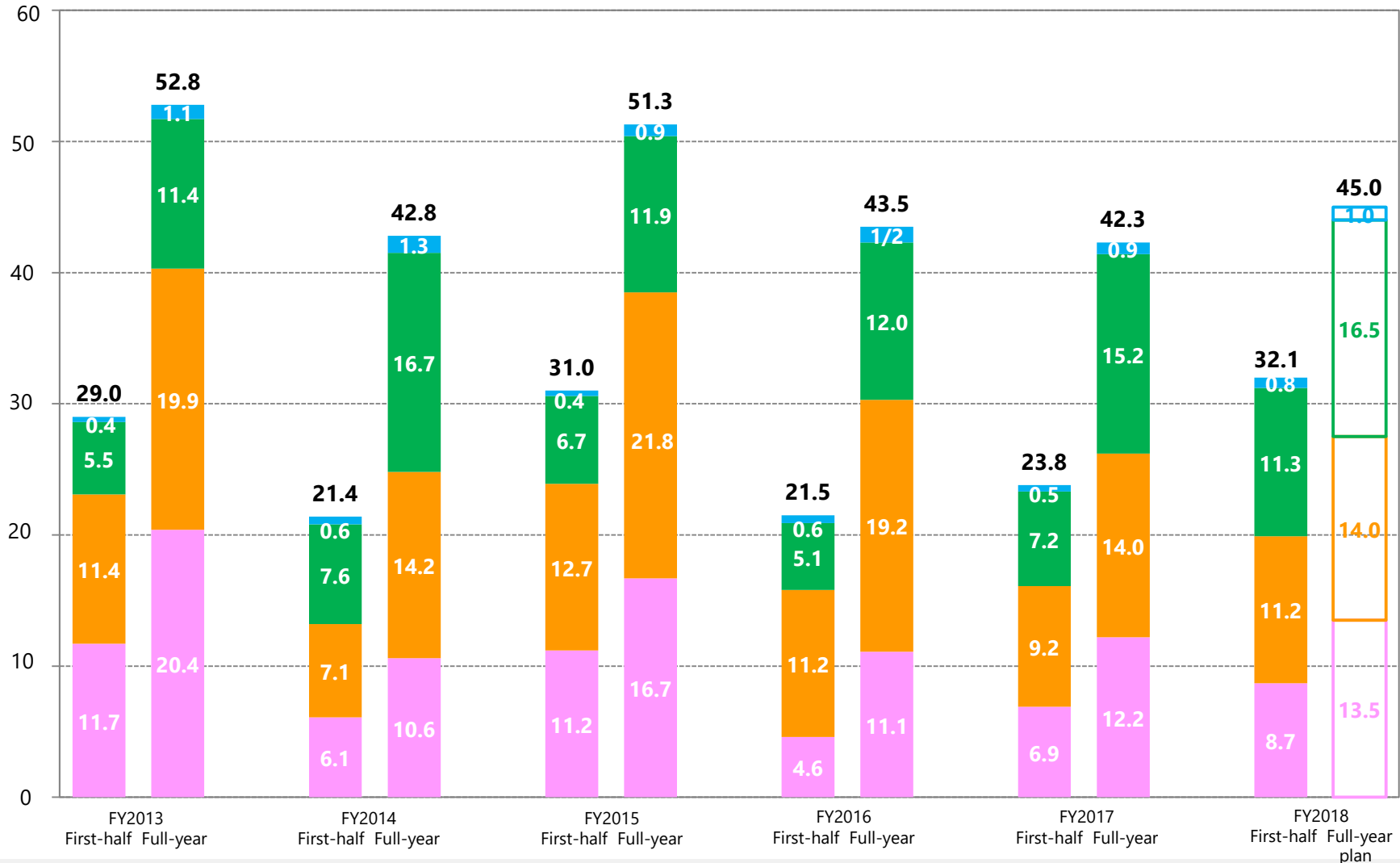
	FY2017 Results	FY2018	
		First-half results	Full-year plan
	8.4	4.5	9.0
	4.0 (47.4%)	2.2 (48.9%)	4.4 (48.9%)
	3.2	1.6	3.2
	0.8 (9.8%)	0.5 (11.1%)	1.2 (13.3%)

Orders Received Outlook by Segment

■ High tech pumps ■ Projects

■ Service Solutions (aftermarket service) ■ Renewable Energy & Environment

Billions of yen



Appendix

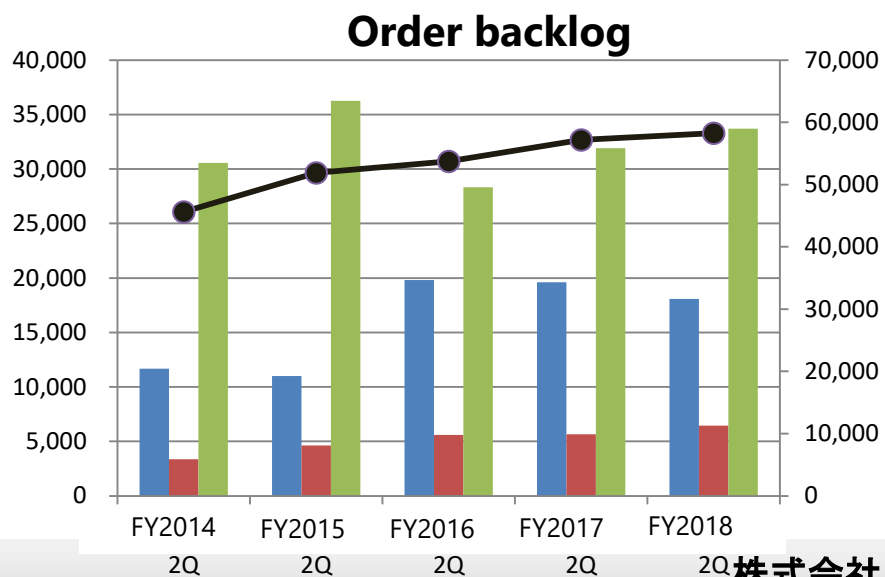
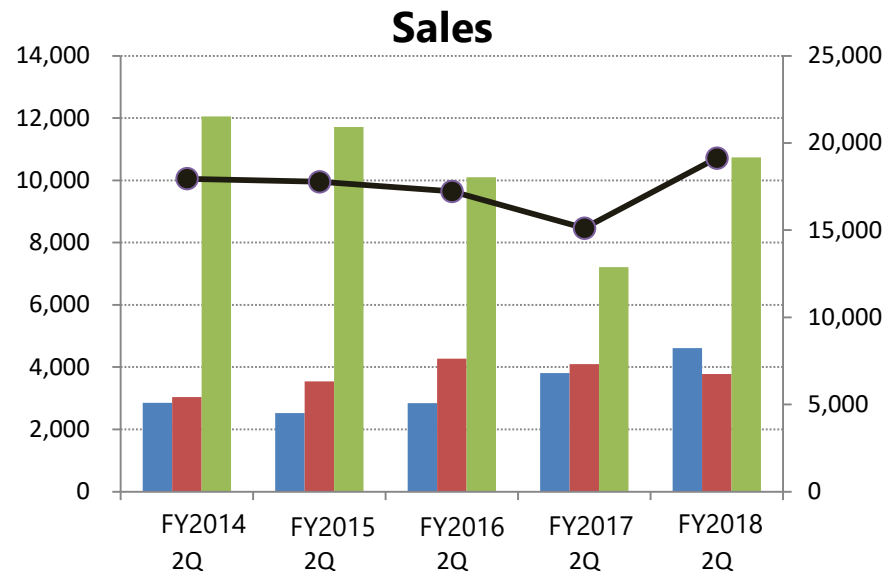
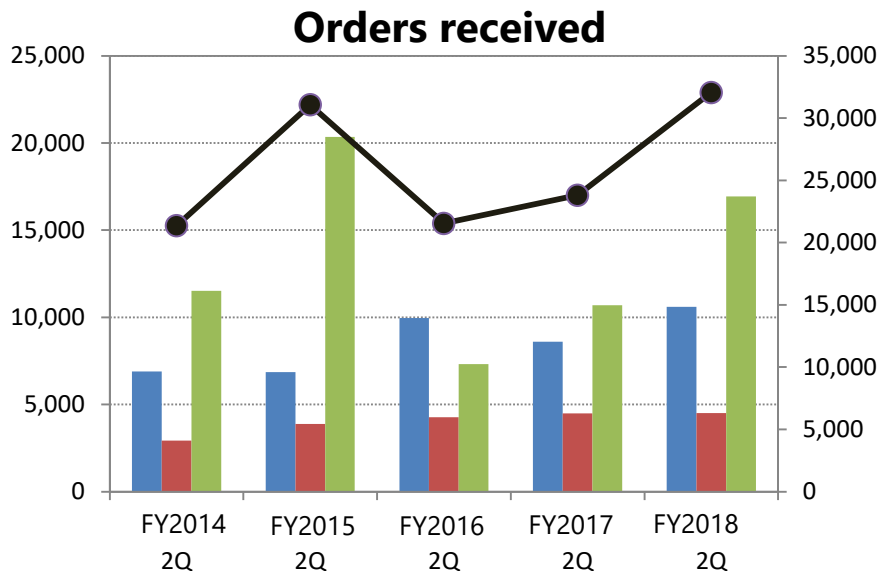
Orders received, Sales and Orders backlog by segment



Millions of yen

	FY2017 First-half			FY2018 First-half		
	Orders received	Sales	Order Backlog	Orders received	Sales	Order Backlog
Public	8,609	3,805	19,592	10,603	4,614	18,071
YOY	-13.5%	33.7%	-1.1%	23.2%	21.3%	-7.8%
Private	4,497	4,098	5,650	4,513	3,783	6,460
YOY	5.5%	-4.1%	1.1%	0.4%	-7.7%	14.3%
Overseas	10,692	7,208	31,920	16,933	10,735	33,713
YOY	46.1%	-28.6%	12.7%	58.4%	48.9%	5.6%
Total	23,799	15,112	57,164	32,050	19,133	58,245
YOY	10.5%	-12.2%	6.4%	34.7%	26.6%	1.9%

Orders received, Sales and Orders backlog by segment



Left

Public Private Overseas

Total

● Total

Millions of yen

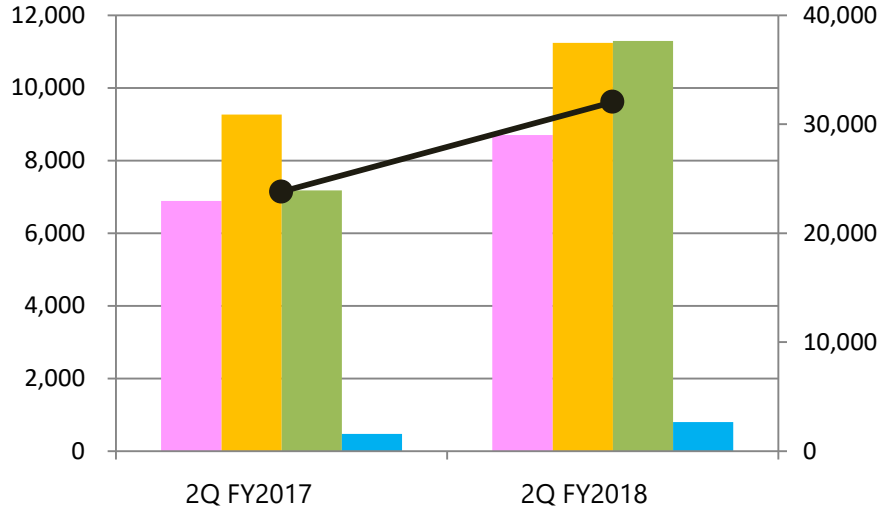
Orders received, Sales and Orders backlog by business domain

Millions of yen

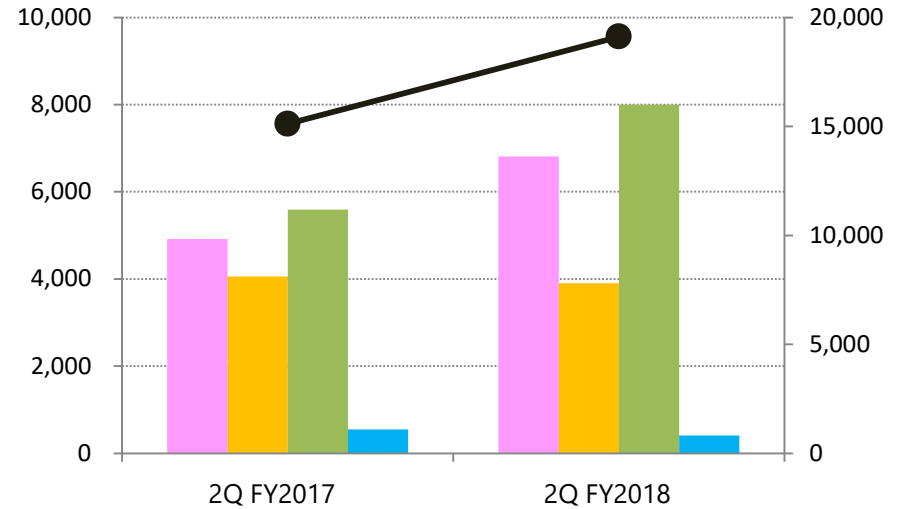
	FY2017 First-half			FY2018 First-half		
	Orders received	Sales	Order Backlog	Orders received	Sales	Order Backlog
High-tech Pumps	6,887	4,917	16,178	8,704	6,812	17,725
YOY	50.7%	-33.7%	5.9%	26.4%	38.5%	9.6%
Projects	9,265	4,054	33,143	11,240	3,902	30,334
YOY	-17.5%	15.0%	5.2%	21.31%	-3.7%	-8.5%
Service Solutions (aftermarket service)	7,175	5,594	7,662	11,306	8,014	9,700
YOY	40.0%	-5.7%	15.2%	57.6%	43.3%	26.6%
Renewable Energy and Environment	473	548	181	800	406	486
Total	23,800	15,112	57,164	32,050	19,133	58,245
YOY	10.5%	-12.2%	6.4%	34.7%	26.6%	1.9%

Orders received, Sales and Orders backlog by business domain

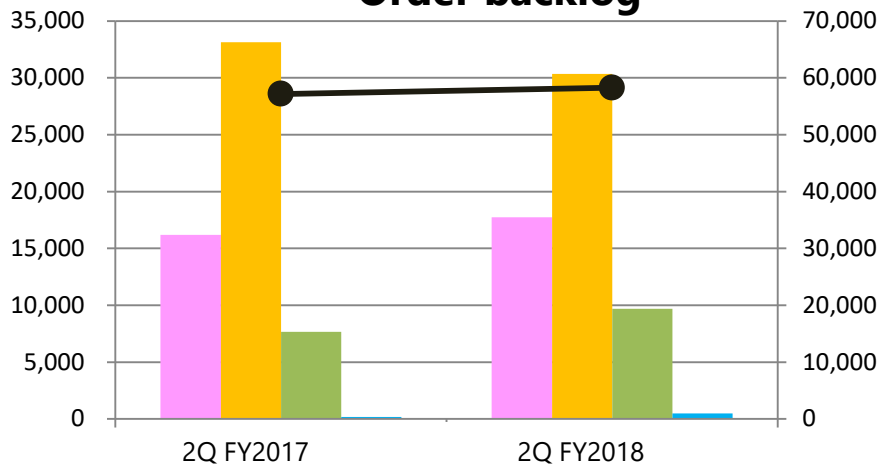
Orders received



Sales



Order backlog



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

Right

- Total

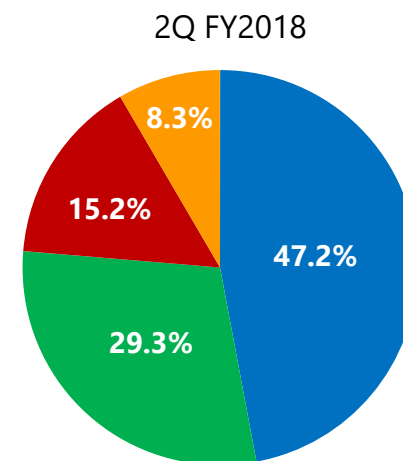
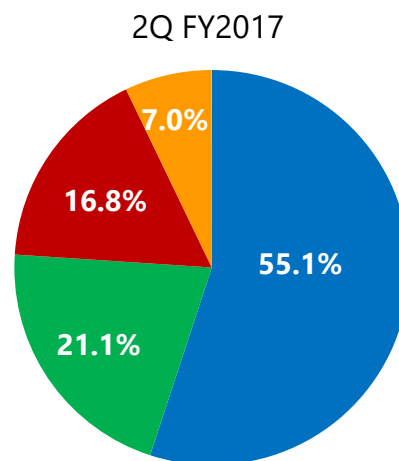
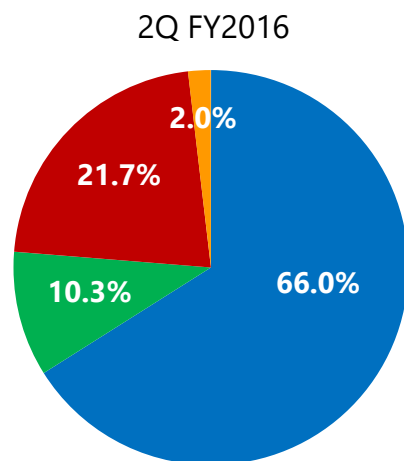
Millions of yen

Orders Received breakdown by region

Billions of yen

	Japan	Overseas	Breakdown			Total
			Asia	Middle East	Others	
2Q FY2016	14.2 (66.0%)	7.3 (34.0%)	2.2 (10.3%)	4.7 (21.7%)	0.4 (2.0%)	21.5
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

■ Japan ■ Asia ■ Middle East ■ Other

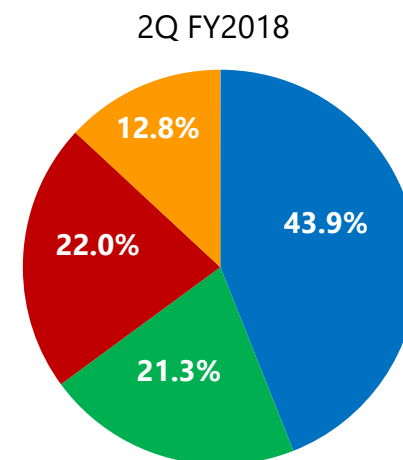
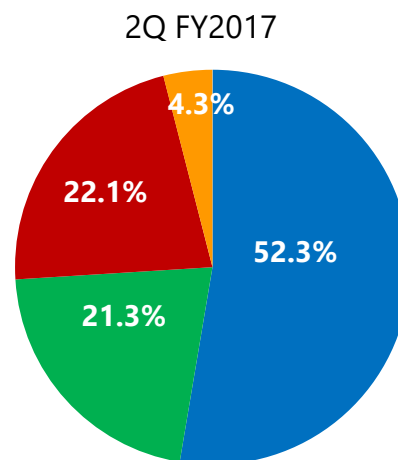
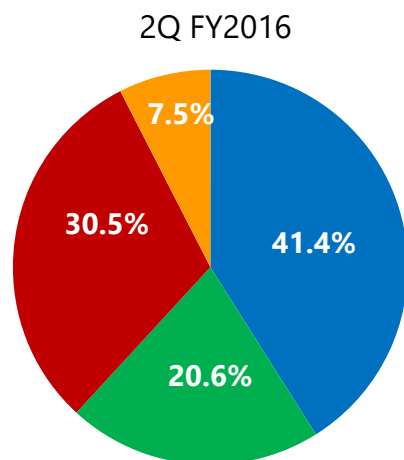


Sales breakdown by region

Billions of yen

	Japan	Overseas	Breakdown			Total
			Asia	Middle East	Others	
2Q FY2016	7.1 (41.4%)	10.1 (58.6%)	3.6 (20.6%)	5.3 (30.5%)	1.3 (7.5%)	17.2
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

■ 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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