

# Consolidated Financial Results for the 2<sup>nd</sup> Quarter of FY2021

(April 1st 2021 ~ September 30th 2021)

12<sup>th</sup> November, 2021

TORISHIMA PUMP MFG.CO.,LTD.

**【1】 Financial Results of 2Q FY2021**

**【2】 Torishima's Responsibility and Corporate Value**

**【3】 Outlook for the Full-year of FY2021**

# 2Q FY2021 Financial Results Outline

		Billions of yen	YOY billions of yen
● Orders Received	...	29.9	+3.1
● Sales	...	21.4	+3.2
● Operating Income	...	0.3	+0.8
● Ordinary Income	...	0.5	+0.7
● Net Income	...	0.3	+0.7

# 2Q FY2021 Consolidated Financial Results

Orders Received: 11.9% decrease in public-sector (Major orders were concentrated in the first-half of FY2020),  
8.8% increased in private-sector. 44.9% increase in overseas driven by large orders in Egypt and Saudi Arabia resulting in an overall order increase of 11.6% to 29.9 billion yen.

Sales: 41.8% increase in public-sector, 9.0% increase in private-sector, 11.3% increase in overseas, resulted in an overall increase of 17.6% to 21.4 billion yen.

Profits: Increase 0.8 billion yen due to increased sales and higher gross profit margin.

	2Q FY2020	2Q FY2021	YOY		Billions of yen	
			Amount	%	FY2021 plan	Progress
Orders Received	26.8	29.9	+3.1	+11.6%	50.0	59.8%
Sales	18.2	21.4	+3.2	+17.6%	52.0	41.2%
Gross Operating Income (Gross profit margin)	4.1 (22.5%)	5.4 (25.2%)	+1.3 (+2.7pt)	+31.7%	13.8 (26.5%)	39.1%
SG&A expense	4.6	5.1	+0.5	10.9%	10.2	50.0%
Operating income (Operating profit margin)	-0.5 (-2.7%)	0.3 (1.4%)	+0.8 (+4.1pt)	—	3.6 (6.9%)	8.3%
Non-operating Profit or loss	0.3	0.1	-0.2	—		
Ordinary income	-0.2	0.5	+0.7	—	3.8	13.2%
Extraordinary profit or loss	0.0	0.0	±0.0	—		
Net income	-0.4	0.3	+0.7	—	2.7	11.1%

Foreign exchange rate (1USD)

¥105.8  
30/09/ 2020

¥111.92  
30/09/2021

# 2Q FY2021 Financial Results (Non-consolidated / Subsidiaries)

## ■ Non-consolidated

	2Q FY2020	2Q FY2021	YOY	
			Amount	%
Sales	13.5	17.5	+4.0	+29.6%
Gross Operating Income (Gross profit margin)	2.1 (15.5%)	3.4 (19.4%)	+1.3 (+3.9pt)	+61.9%
SG&A expense	3.2	3.3	+0.1	+3.1%
Operating income (Operating profit margin)	-1.0 (-7.4%)	0.1 (+0.6%)	+1.1 (+8.0pt)	—

- Gross profit income increased 1.3 billion yen due to increased sales in public-sector with higher margin in addition to increased sales overall.
- SG&A expense kept the same level as the previous year, despite the continuous impact of COVID-19, resulting in increased operating income by 1.1 billion yen.

## ■ Subsidiaries

Billions of yen

	2Q FY2020	2Q FY2021	YOY	
			Amount	%
	4.7	3.9	-0.8	-17.0%
	2.0 (42.6%)	2.0 (51.3%)	±0.0 (+8.7pt)	±0%
	1.4	1.8	+0.4	+28.6%
	0.5 (10.6%)	0.2 (5.1%)	-0.3 (-5.5pt)	-60.0 %

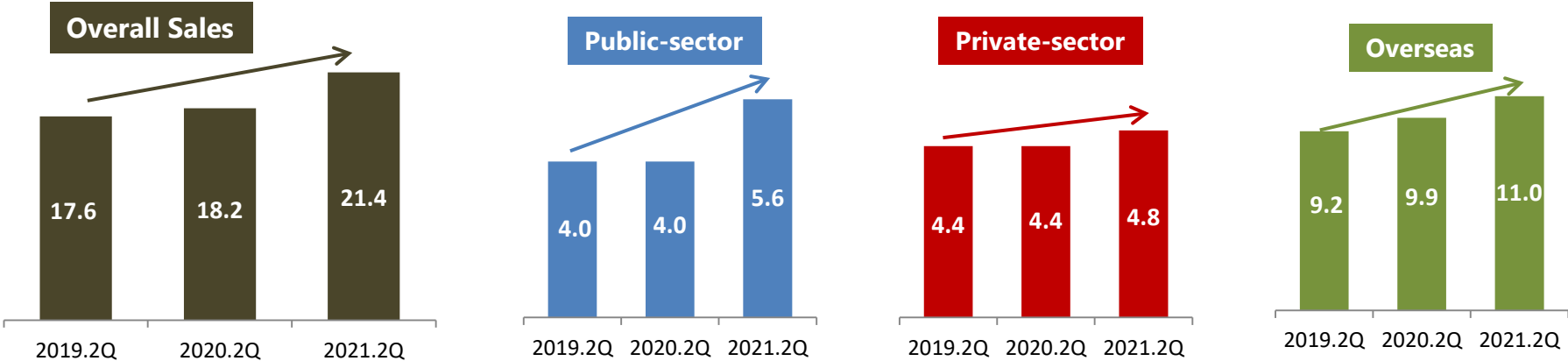
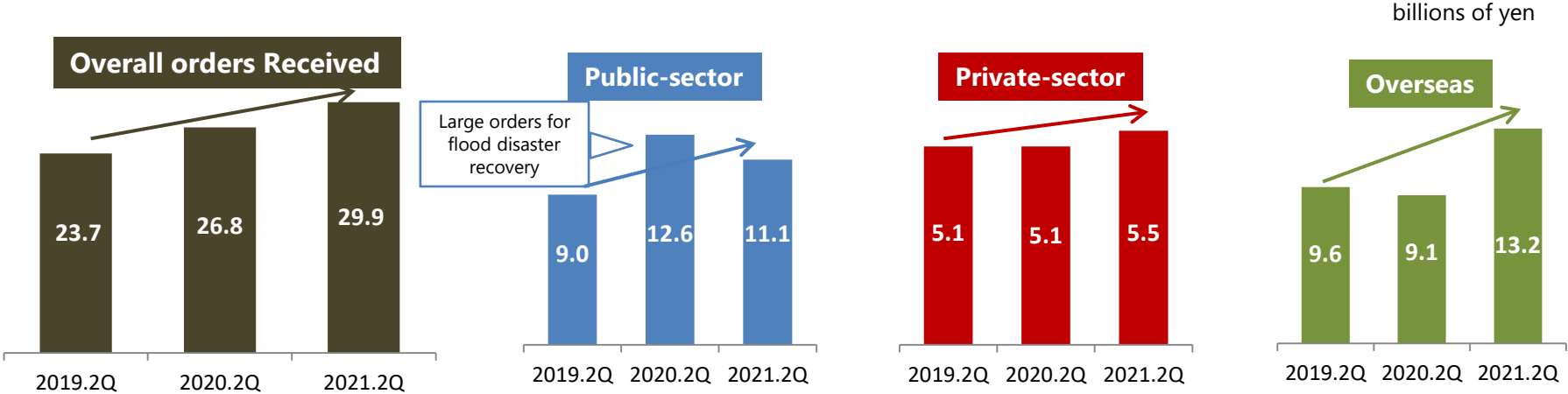
- Sales decreased 0.8 billion yen, this is because a subsidiary in Indonesia was excluded from the scope of consolidation and a Hong Kong company has struggled with its political instability as well as COVID-19.
- Despite decreased sales, gross operating income kept the same level as the previous year driven by a manufacturing factory in China with increased sales and profit
- Operating income decreased due mainly to increased SG&A such as depreciation in a UK subsidiary, sales commissions as well as Covid 19 issues.

**【1】 Financial Results of 2Q FY2021**

**【2】 Torishima's Responsibility and Corporate Value**

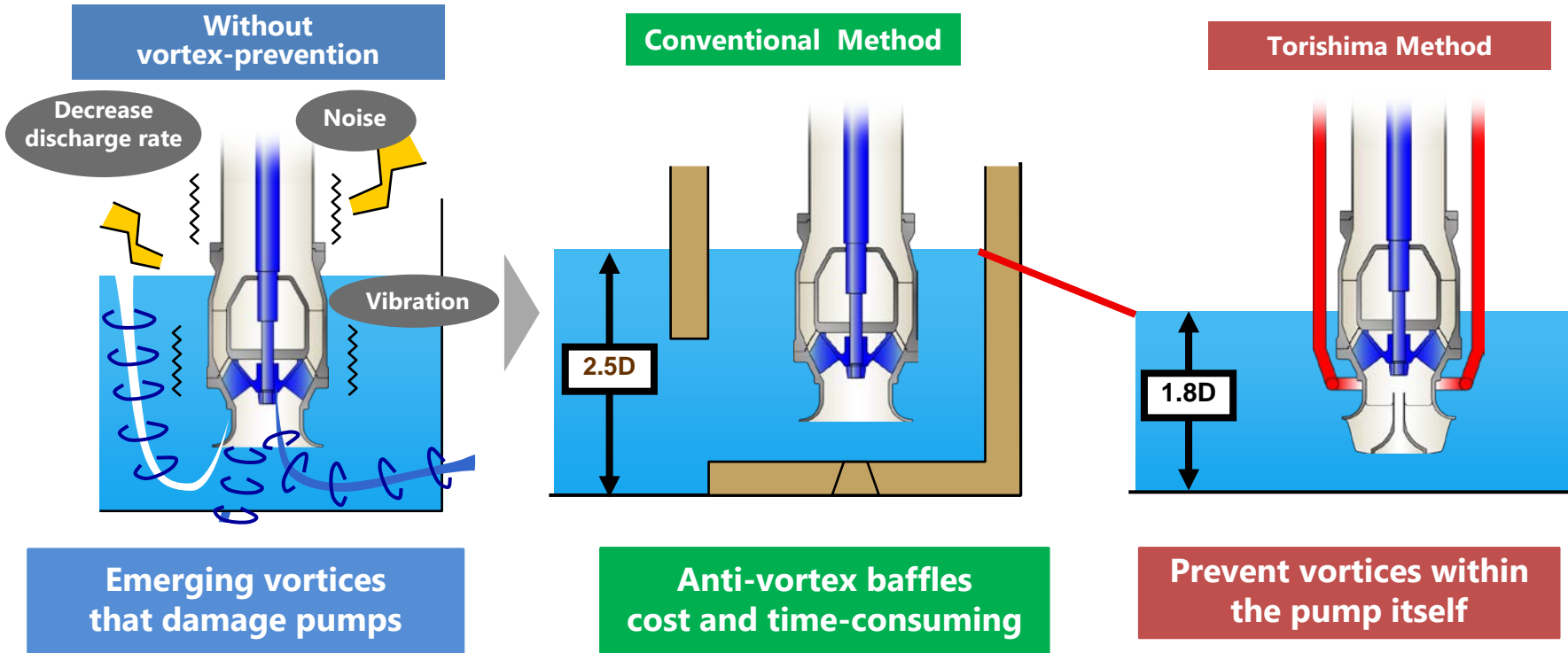
**【3】 Outlook for the Full-year of FY2021**

# Solid Orders Received and Sales even in the COVID-19



# Contribute to Disaster Mitigation with Specially Designed Pumps Against Heavy Flooding

Originally developed technology “**Double-suction Bellmouth and Vortex-preventing Rings**” and “**Pump with Submersible Motor**” to mitigate heavy flooding





# Contribute to Disaster Mitigation with Specially Designed Pumps Against Heavy Flooding

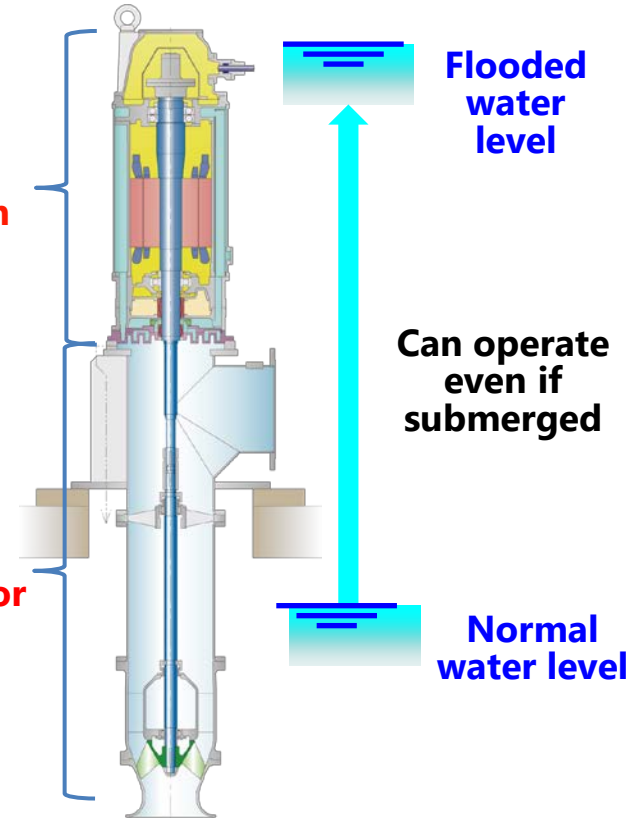
Originally developed technology “Double-suction Bellmouths and Vortex-preventing Rings” and  
“**Pump with Submersible Motor**” to mitigate heavy flooding

## Pumps that stopped operation due to flooding



**Motor that can  
be operated both  
in the air and  
under water**

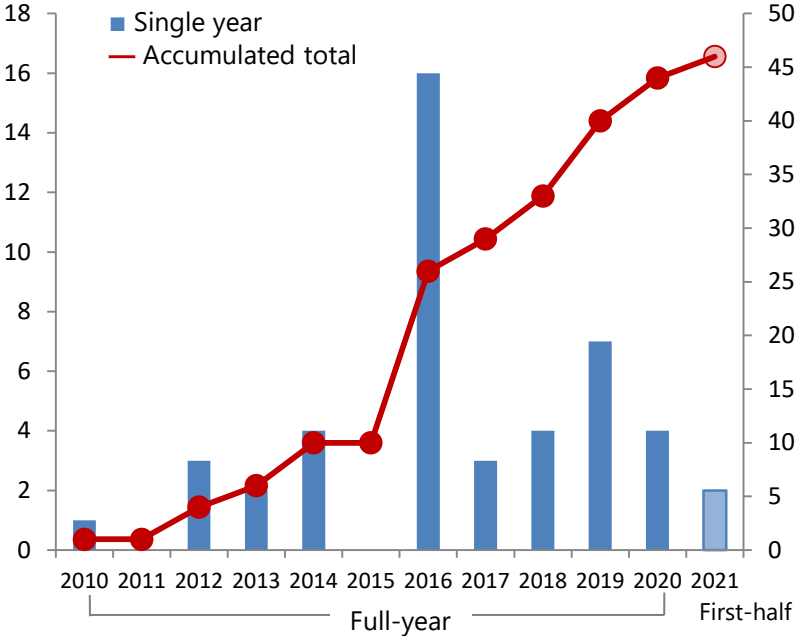
**Pump with no  
exposed bearing or  
shaft seal**



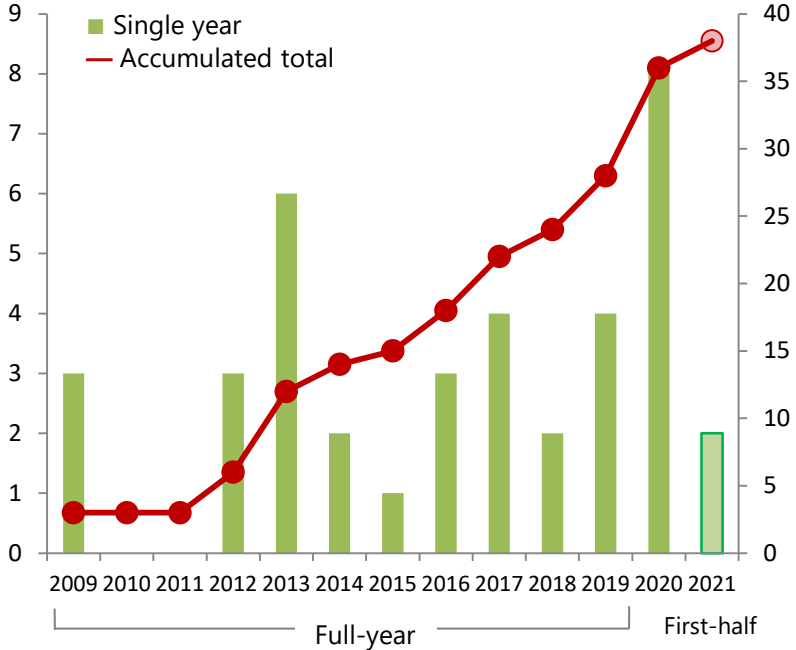
# Contribute to Disaster Mitigation with Specially Designed Pumps Against Heavy Flooding

Originally developed technology “Double-suction Bellmouth and Vortex-preventing Rings” and “**Pump with Submersible Motor**” to mitigate heavy flooding

Order units of Double-suction Bellmouths and Vortex-preventing Rings



Order units of Pump with Submersible Motor



# Contribute to Promote Renewable Energy

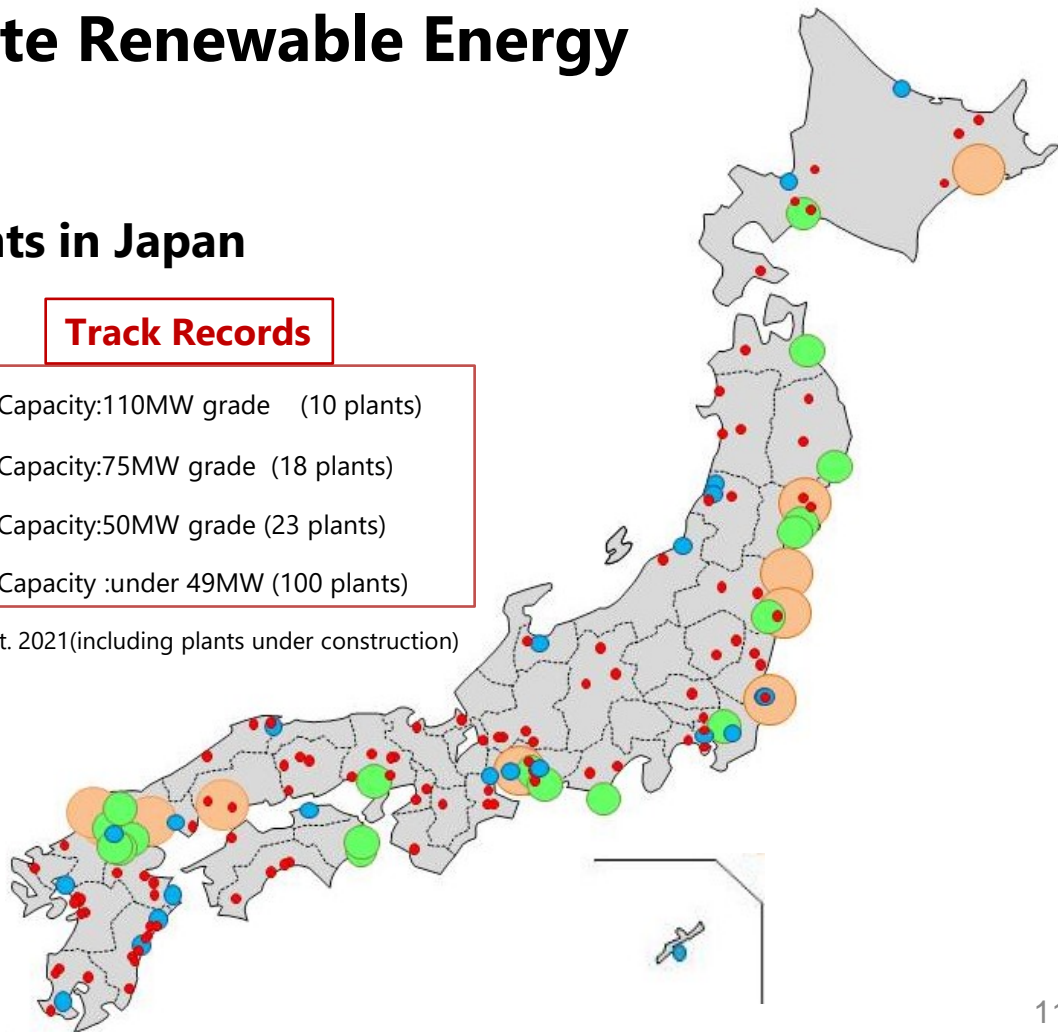
## 1. Supply Boiler Feed Pumps to Almost All Biomass Power Plants in Japan



### Track Records

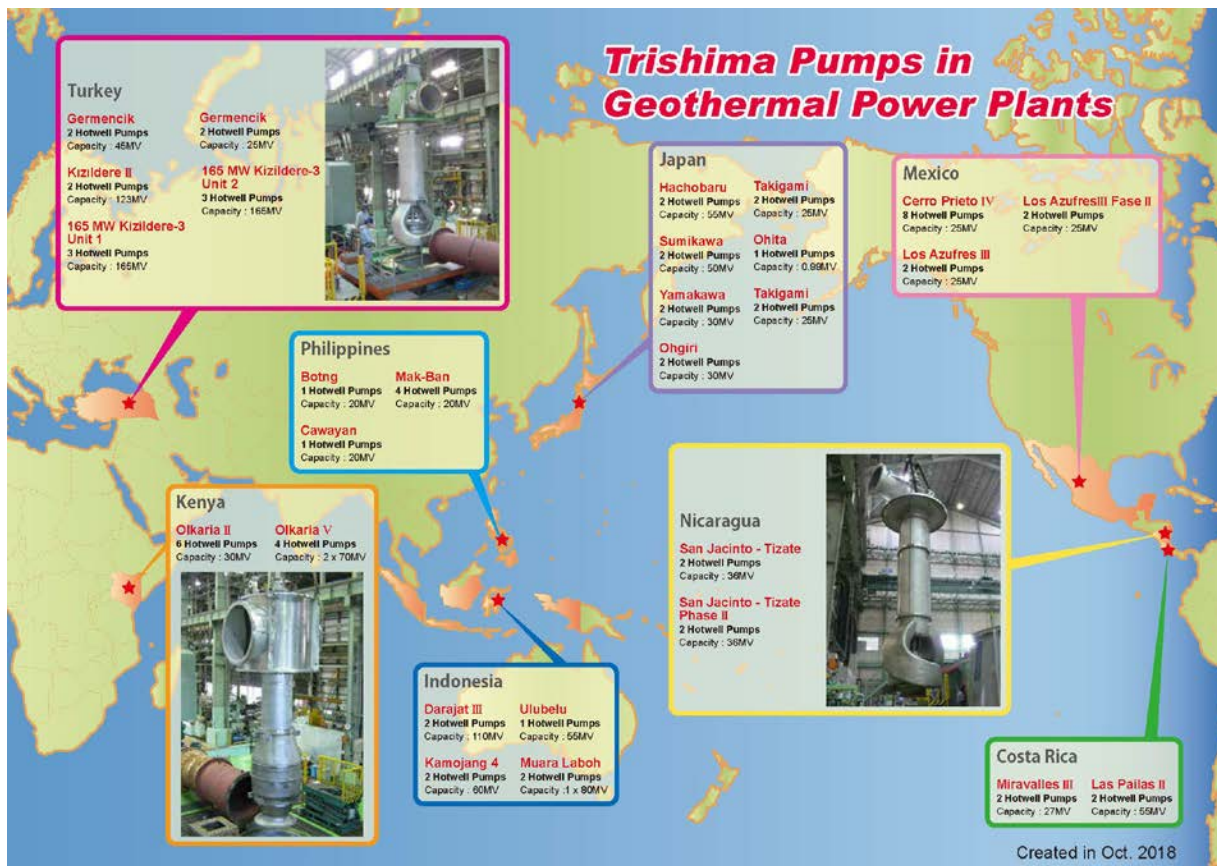
- Capacity: 110MW grade (10 plants)
- Capacity: 75MW grade (18 plants)
- Capacity: 50MW grade (23 plants)
- Capacity :under 49MW (100 plants)

As of Oct. 2021(including plants under construction)



# Contribute to Promote Renewable Energy

## 2. Supply Hot Well Pumps to Geothermal Power Plants in the World since 1990's



★ Newly ordered in FY2020 ★

Appi geothermal power plant  
(Iwate, Japan)

Otake geothermal power plant  
(Oita, Japan)

★ Newly ordered in FY2021 ★

Matsukawa geothermal power plant  
(Iwate, Japan)

Tauhara geothermal power plant  
(The biggest lever in the world  
152MW/ New Zealand)



# Contribute to Solving Water Shortage Caused by Global Warming with Seawater Desalination Pumps

## Middle East, Strong demands despite under the Covid pandemic

### Saudi Arabia

Al Khobar, 2021  
Al Jubail 3A, 2021  
Jubail 2, 2021  
Al Khobar SWRO Desalination Plant, 2020  
Rabigh SWRO Desalination Plant, 2019  
Shoiba RO Phase 4 Desalination Plant, 2019  
Shuaibah III Expansion II, 2019

### Bahrain

Al Dur II, 2020

### Kweit

Az Zour North IWPP, 2014  
Az Zour South RO 2012

### Qatar

Umm Al Houll 2016

### Oman

Salalah SWRO Desalination Plant, 2019  
Barka I Seawater Desalination Plant Expansion, 2013  
Salalah IWPP, 2010

### UAE

ADNOC Refining Waste Heat Recovery Project, 2020  
Umm Al Quwain SWRO Desalination Plant, 2019

Torishima earns high reputation with its high quality RO seawater feed pump in the industry



## North Africa

### Argelia

Magtaa, Oran, 2010

### Libiya

Khoms Desalination Plant, 2012

### Ghana

Accra Desalination Plant, 2013

### Egypt

Al Arish, 2021

## Asia, Oceania

### India

VA tech WABAG, 2020  
Dahej, 2021

### Australia

Victorian Desalination, 2010

### Singapore

Jurong Island 2020  
Marina East Desalination Plant, 2019  
Tuaspring Desalination Plant, 2012

### China

Liuheng 2013  
Qingdao, 2011

**New markets**  
**Expect increased demands**  
**due to population growth and**  
**infrastructure development**

# Contribute to Farmland Development in Egypt with Irrigation Pumps

This project is part of the Sinai Peninsula Development Program promoting economic development in Egypt. The water treatment pumping station takes river water from the Nile, via treatment plants, and delivering it to farmland.

Torishima's performance has been highly appreciated as it continues to receive large orders in the country in FY2020 and FY2021.



Carry-in and Installation of pumps in the site



# Summary of Torishima's Responsibility and Corporate Value

Public Sector	<ul style="list-style-type: none"><li>Propose our <b>unique technology</b> such as "Double-suction Bellmouth and Vortex preventing Rings" and "Pump with Submersible Motor" to <b>mitigate heavy flooding</b></li><li>Promote <b>DX technology</b> (use of TR-COM, 3D cad scanners, wearable cameras etc.)</li></ul>
Private sector	<ul style="list-style-type: none"><li>Supply pumps for <b>renewable energy</b><ul style="list-style-type: none"><li>(1) <b>Biomass power generation</b></li><li>(2) <b>Geothermal power generation</b></li></ul></li><li>Enhance sales promotions of the <b>Eco-Pumps ("Go Green with Pump" initiatives)</b></li><li>Promote smart maintenance by <b>TR-COM</b></li></ul>
Overseas	<ul style="list-style-type: none"><li>Supply pumps for <b>seawater desalination plants</b> and water transmission stations</li><li>Supply pumps for <b>irrigation plants (aggreicultural development)</b></li><li><b>Improve Energy efficiency</b> in plants by <b>increasing the efficiency of high-tech pumps</b></li><li>Expand <b>TSS brand globally</b></li><li>Expand smart maintenance by <b>TR-COM</b> to overseas market</li></ul>

# Torishima's Approach to the Environmental Management

## FY2021 The company's policy for environmental management

- Aim to achieve carbon neutrality in energy use at plants and offices by the FY2029, the final year of the "Beyond 110" medium-term management plan.
- Strive to reduce the environmental impact of the entire supply chain.

### Current actions

#### Achieve carbon neutral electricity in the new headquarters and factory building



The new headquarters and factory building has achieved the "**ZEB Oriented**" evaluation standard, as an environmentally friendly building with **reduction in annual energy consumption by more than 40%**.



100% of the **annual electricity used** in the new head office building (**approx. 1.25 million kWh**) is supplied by "**Green Power**" provided by Japan Natural Energy Co.

### Next actions

#### Accelerate efforts to reduce greenhouse gas (GHG) emissions, including carbon

##### Target of reduction

- Aiming to achieve carbon neutrality in energy use in factories and offices by fiscal 2029
- Strive to reduce the environmental impact of the entire supply chain

Scope1<sup>\*1</sup> ▶ Achieved

Scope2<sup>\*2</sup> ▶ On-going, expected to be achieved by FY2029

Scope3<sup>\*3</sup> ▶ Addressing from now

\*1 Direct GHG emissions from in-house fuel use

\*2: Indirect GHG emissions from the use of electricity and heat purchased by the company

\*3: With regard to GHG emissions in supply chains other than 1 and 2, promote specific measures to reduce GHG emissions throughout the value chain together with suppliers and customers.



**【1】 Financial Results of 2Q FY2021**

**【2】 Torishima's Responsibility and Corporate Value**

**【3】 Outlook for the Full-year of FY2021**

# Full-year Outlook of FY2021 (Consolidated)

The company expects increased sales and profit for the full-year FY2021 due to the following factors;

- Solid progress in all sectors, public, private and overseas, with supplying high-value-added products and customer-oriented service solutions.
- Improved productivity, with our continuing efforts improving product standardization and IT strategies.
- Cost reduction and cost improvement with digitization

Billions of yen

	2Q FY2020 Results	2Q FY2021 Results	Increase/ Decrease
Sales	18.2	21.4	+3.2
Operating income (Operating profit margin)	-0.5 (-2.7%)	0.3 (1.4%)	+0.8 (+4.1pt)
Non-operating Profit or loss	-0.2	0.5	+0.7
Ordinary income	-0.4	0.3	+0.7

FY2020 Results	FY2021		
	Initial Outlook	Reviewed Outlook	Change from Initial Outlook
50.8	52.0	54.0	+3.8%
3.6 (7.1%)	3.6 (6.9%)	4.3 (8.0%)	+19.4%
4.6	3.8	4.6	+21.1%
3.4	2.7	3.1	+14.8%

# Full-year Outlook of FY2020 (Non-consolidate / subsidiaries)

## ■ Non-consolidated

Billions of yen

	FY2020 Results	FY2021		
		Initial Outlook	Reviewed Outlook	Change from Initial Outlook
Sales	40.6	42.0	43.5	+3.6%
Operating income (Operating profit margin)	2.4 (5.9%)	2.6 (6.2%)	3.2 (7.4%)	+23.1%

## ■ Subsidiaries

Billions of yen

	FY2020 Results	FY2021		
		Initial Outlook	Reviewed Outlook	Change from Initial Outlook
Sales	10.2	10.0	10.5	+5.0%
Operating income (Operating profit margin)	1.2 (11.8%)	1.0 (10.0%)	1.1 (10.5%)	+10.0%

# Appendix

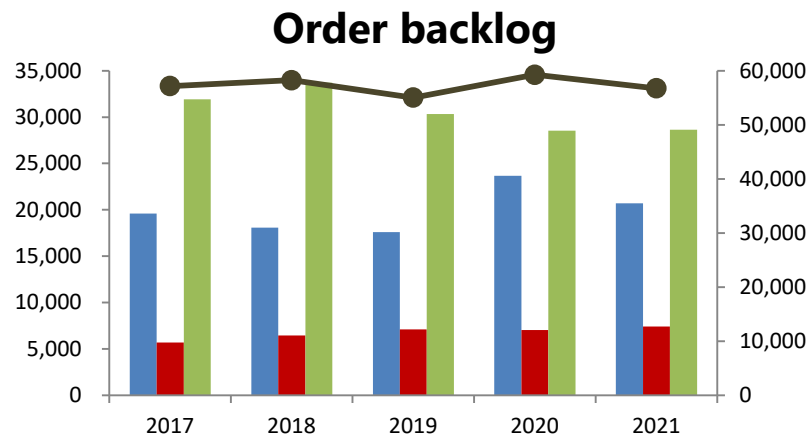
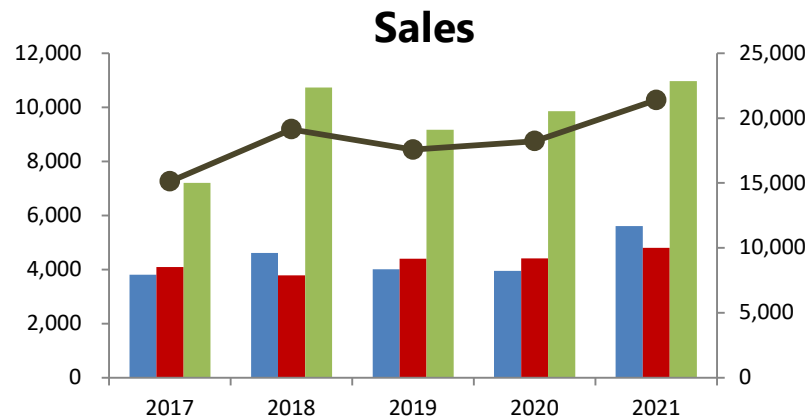
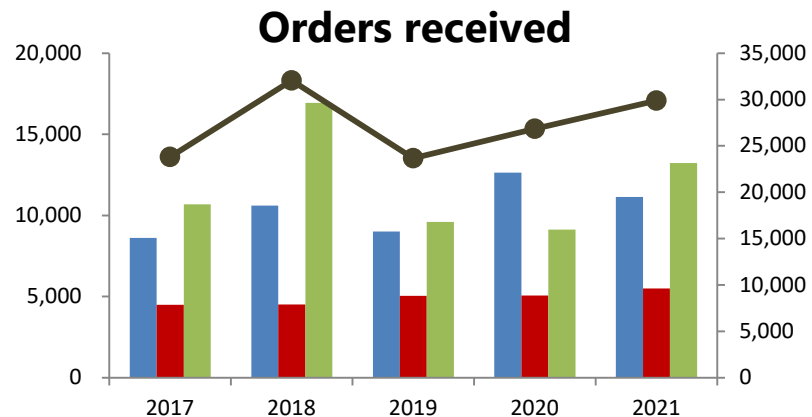
# Orders Received, Sales and Orders Backlog by Segment

Millions of yen

		2Q FY2020			2Q FY2021		
		Orders received	Sales	Orders backlog	Orders received	Sales	Orders backlog
Public-sector		12,643	3,950	23,680	11,134	5,602	20,701
	YOY	40.4%	-1.3%	34.6%	-11.9%	—	—
Private-sector		5,058	4,413	7,044	5,503	4,808	7,419
	YOY	0.1%	0.3%	-0.8%	8.8%	—	—
Overseas		9,129	9,857	28,525	13,227	10,972	28,630
	YOY	-5.0%	7.5%	-6.0%	44.9%	—	—
Total		26,832	18,221	59,251	29,866	21,383	56,752
	YOY	13.4%	3.7%	7.7%	11.3%	—	—

:Note: Effective from the beginning of the first quarter of the current fiscal year, the Company has adopted "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29), etc. As a result of this change, the orders backlog at the end of the previous fiscal year has been reduced by 638 million yen. The changes of amount and percentage for net sales and orders backlog from a comparable previous period are not stated

# Orders Received, Sales and Orders Backlog by Segment



Left  
Public Private Overseas

Total  
Total

Millions of yen

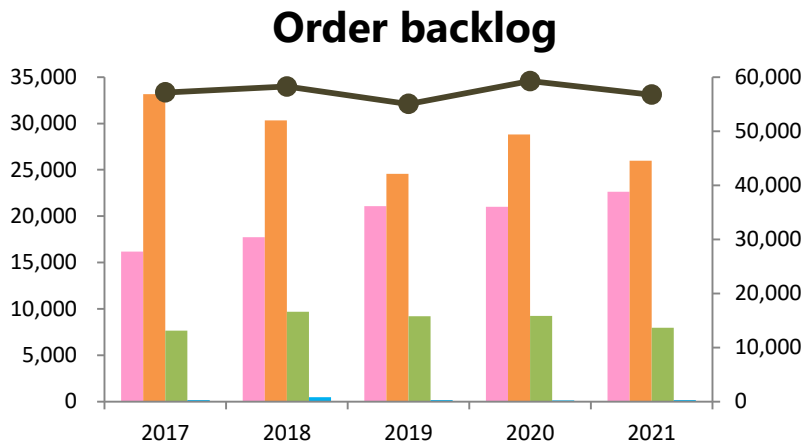
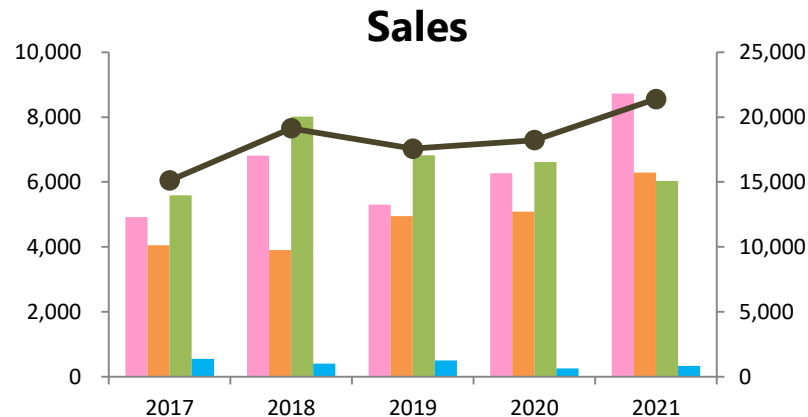
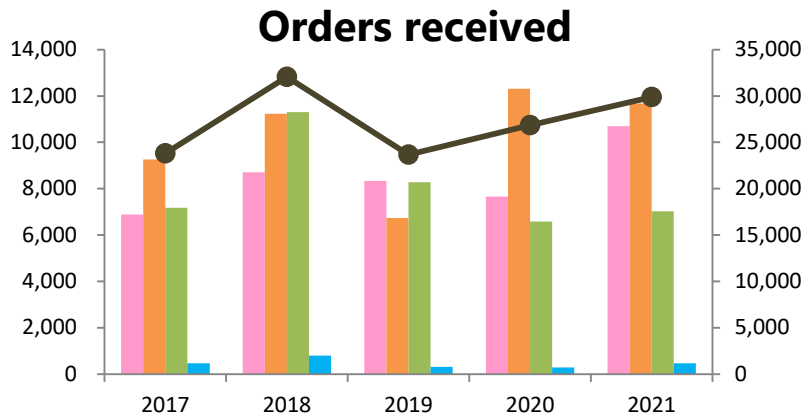
# Orders Received, Sales and Orders Backlog by Business Domain

Millions of yen

		2Q FY2020			2Q FY2021		
		Orders received	Sales	Orders backlog	Orders received	Sales	Orders backlog
High-tech pump		7,654	6,269	21,027	10,702	8,726	22,637
	YOY	-8.1%	18.2%	-0.3%	39.8%	—	—
Project		12,305	5,086	28,816	11,673	6,290	25,974
	YOY	82.5%	2.7%	17.2%	-5.1%	—	—
Service solutions		6,580	6,612	9,258	7,021	6,030	7,977
	YOY	-20.5%	-3.0%	0.6%	6.7%	—	—
Renewable Energy and Environment		294	254	150	470	338	164
	YOY	-5.8%	-49.1%	-3.8%	59.9%	—	—
Total		26,832	18,221	59,251	29,866	21,383	56,752
	YOY	13.4%	3.7%	7.7%	11.3%	—	—

:Note: Effective from the beginning of the first quarter of the current fiscal year, the Company has adopted "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29), etc. As a result of this change, the orders backlog at the end of the previous fiscal year has been reduced by 638 million yen. The changes of amount and percentage for net sales and orders backlog from a comparable previous period are not stated

# Orders Received, Sales and Orders Backlog by Business Domain



Left

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

Right

● Total

Millions of yen

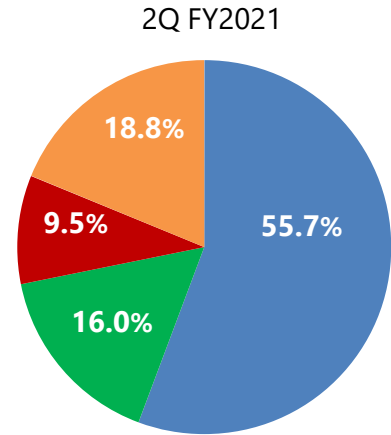
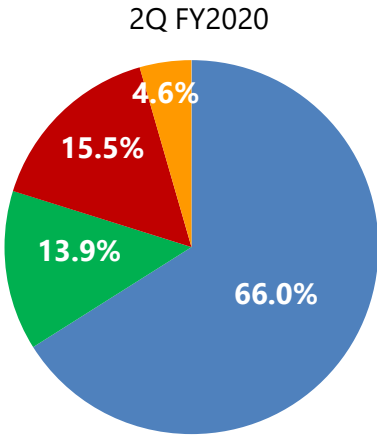
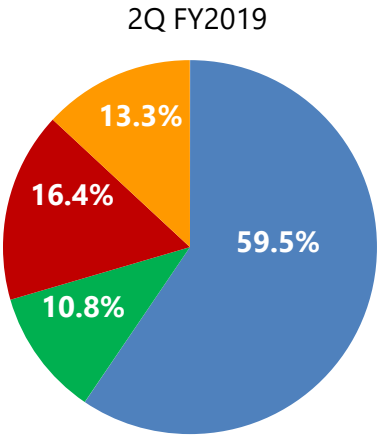


# Orders Received Breakdown by Region

Billions of yen

	Japan	Overseas	Breakdown			Total
			Asia	Middle East	Others	
2Q FY2019	14.1 (59.5%)	9.6 (40.5%)	2.6 (10.8%)	3.9 (16.4%)	3.1 (13.3%)	23.7
2Q FY2020	17.7 (66.0%)	9.1 (34.0%)	3.7 (13.9%)	4.2 (15.5%)	1.2 (4.6%)	26.8
2Q FY2021	16.6 (55.7%)	13.2 (44.3%)	4.8 (16.0%)	2.8 (9.5%)	5.6 (18.8%)	29.8

- Japan
- Asia
- Middle East
- Others

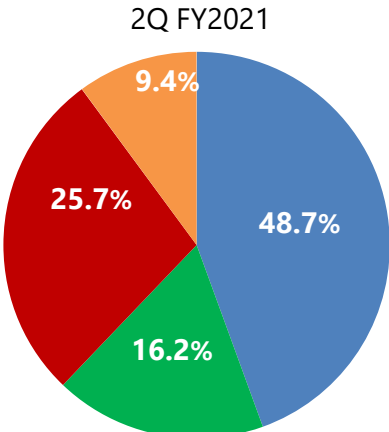
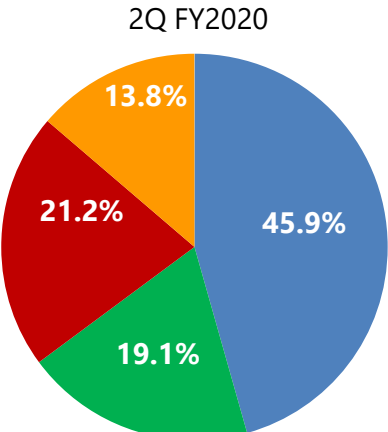
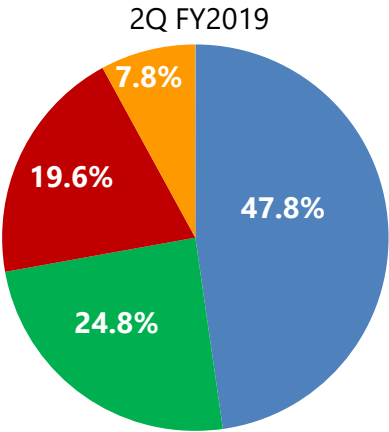


# Sales Breakdown by Region

Billions of yen

	Japan	Overseas	Breakdown			Total
			Asia	Middle East	Others	
2Q FY2019	8.4 (47.8%)	9.2 (52.2%)	4.4 (24.8%)	3.4 (19.6%)	1.4 (7.8%)	17.6
2Q FY2020	8.3 (45.9%)	9.9 (54.1%)	3.5 (19.1%)	3.9 (21.2%)	2.5 (13.8%)	18.2
2Q FY2021	10.4 (48.7%)	11.0 (51.3%)	3.5 (16.2%)	5.5 (25.7%)	2.0 (9.4%)	21.4

- Japan
- Asia
- Middle East
- Others



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.

## 【Inquiries】

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