

Consolidated Financial Results for the FY2022

11th May 2023
TORISHIMA PUMP MFG.CO.,LTD.

【1】 FY2022 Financial Results

【2】 FY2023 Outlook

【3】 Review of the Medium-term Business Plan

【4】 Shareholder Return

【1】 FY2022 Financial Results

【2】 FY2023 Outlook

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FY2022 Highlight

- ✓ **Orders received** was **89.0 billion** yen, a **record high for 2 years in a row**.
- ✓ **Sales** was **64.7 billion** yen and **Operating income** was **5.9 billion** yen, a **record high for 3 years in a row**.
- ✓ **Operating profit margin** was **9.1%** and **ROE** was **10.2%**.

FY2022 Financial Results Outline

Billions of yen

YoY

▪ Orders Received	—	89.0	+21.1
▪ Sales	—	64.7	+12.5
▪ Operating income (Operating profit margin)	—	5.9 (9.1%)	+1.4 (+0.5pt)
▪ Ordinary income	—	5.7	+0.5
▪ Net income (ROE)	—	4.4 (10.2%)	+0.8 (+0.9pt)

FY2022 Consolidated Financial Results

- Orders received : 28.6% increase in public-sector, 3.8 % increase in private-sector, 40.6% increase in overseas, resulting in an overall increase in orders received by 31.1% to 89.0 billion.
- Sales: 1.4% decrease in public-sector, 4.0% decrease in private-sector and 55.0% increase in overseas, resulting in an overall increase of 23.8% to 64.7 billion yen.
- Income: Maintained an increase in both sales and profitability, although slightly short of the revised plan.

*The increase and decrease are YoY

	FY2021	FY2022	YoY		Billions of yen	
			Amount	%	FY2022 Revised plan	Compared with plan
Orders Received	67.9	89.0	+21.1	+31.1%	57.0*	+32.0
Sales	52.2	64.7	+12.5	+23.9%	65.0	-0.3
Gross Operating Income (Gross profit margin)	15.1 (28.9%)	18.3 (28.3%)	+3.2 (-0.5pt)	+21.2%	19.5 (30.0%)	-1.2 (-1.7pt)
SG&A expense	10.6	12.4	+1.8	+17.0%	13.0	-0.6
Operating income (Operating profit margin)	4.5 (8.6%)	5.9 (9.1%)	+1.4 (+0.5pt)	+31.1%	6.5 (10.0%)	-0.6 (-0.9pt)
Non-operating Profit or loss	0.7	-0.2	-0.9	-128.6%		
Ordinary income	5.2	5.7	+0.5	+9.6%	6.5	-0.8
Extraordinary profit or loss	-0.1	-0.1	±0	±0		
Net income	3.6	4.4	+0.8	+22.2%	4.8	-0.4

*Foreign exchange rate (1USD)

¥122.39
31st Mar 2022

¥133.53
31st Mar 2023

Assumed rate 1 \$ -JPY140

*57.0 of orders received is initial plan

FY2022 Financial Results (Non-consolidated / Subsidiaries)

■ Non-consolidated

Billions of yen

	FY2020	FY2022	YoY	
			amount	%
Sales	42.5	51.1	+8.6	+20.2%
Gross Operating Income (Gross profit margin)	9.7 (22.8%)	11.8 (23.1%)	+2.1 (+0.3pt)	+21.6%
SG&A expense	6.6	7.8	+1.2	+18.2%
Operating income (Operating profit margin)	3.1 (7.3%)	4.0 (7.8%)	+0.9 (+0.5pt)	+29.0%

- ✓ Sales of high-tech pumps for overseas increased significantly, surpassing a record high of ¥50.0 billion.
- ✓ Although SG&A expenses also increased in line with operating activities following the easing of coronavirus restrictions. This in turn resulted in increased personal expenses. Operating income increased by 900 million yen to 4.0 billion yen.

■ Subsidiaries

Billions of yen

	FY2021	FY2022	YoY	
			amount	%
	15.9	21.0	+5.1	+32.1%
	5.8 (36.5%)	7.0 (33.3%)	+1.2 (-3.2pt)	+20.7%
	4.5	5.4	+0.9	+20.0%
	1.3 (8.2%)	1.6 (7.6%)	+0.3 (-0.6pt)	+23.1%

- ✓ The pandemic has settled worldwide, resulting in an increase in both of revenues and profits.

*Subsidiary financial results are before consolidation adjustments.
Therefore, non-consolidated + subsidiary does not = consolidated results.

【1】 FY2022 Financial Results

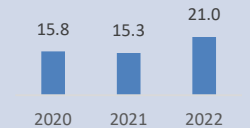
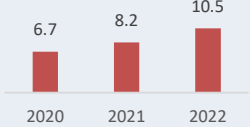
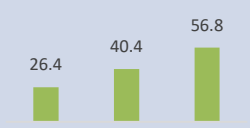
【2】 FY2023 Outlook

【2】 Review of the Medium-term Business Plan

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FY2023 Outlook

1. Sales: Expected to increase at all segments, reaching a record high for 4 years in a row.

	Sales and Order activities outlook for FY2023	Order backlog at the end of the fiscal year (Billions of yen)						
Public-sector-	Expect an increase in sales due to a strong order backlog. The opportunities for additional orders remains strong including the need to mitigate potential flood control.	 <table><tr><td>2020</td><td>2021</td><td>2022</td></tr><tr><td>15.8</td><td>15.3</td><td>21.0</td></tr></table>	2020	2021	2022	15.8	15.3	21.0
2020	2021	2022						
15.8	15.3	21.0						
Domestic-sector	We also expect an increase in sales from a strong order backlog. The opportunities for additional orders remains buoyant, mainly due to increasing demands for energy efficiency toward carbon neutrality.	 <table><tr><td>2020</td><td>2021</td><td>2022</td></tr><tr><td>6.7</td><td>8.2</td><td>10.5</td></tr></table>	2020	2021	2022	6.7	8.2	10.5
2020	2021	2022						
6.7	8.2	10.5						
Overseas-sector	Expect a large increase in sales due to the large orders received for special projects during the last two fiscal year. Meanwhile, orders are expected to return to a normal level.	 <table><tr><td>2020</td><td>2021</td><td>2022</td></tr><tr><td>26.4</td><td>40.4</td><td>56.8</td></tr></table>	2020	2021	2022	26.4	40.4	56.8
2020	2021	2022						
26.4	40.4	56.8						

2. Profit: Operating income, ordinary income, and net income are all expected to reach record highs for 4 years in a row.

- Expect an increase in profit due to a strong backlog and a focus on profitability, despite factors which will increase costs, such as personnel expenses and travel and transportation expenses.
- Gross profit is expected to be positively impacted by the weak yen trend, while a foreign exchange loss is expected in non-operating income.

FY2023 Outlook

Orders received remain at a high level and the profitability is stable,
We expect sales and profit to increase for 4 years in a row.

Billions of yen

	FY2022 Results	FY2023 Outlook	Increase/ decrease	
Orders Received	89.0	70.0	-19.0	
Sales	64.7	75.0	+10.3	Record high!
Operating income (Operating profit margin)	5.9 (9.1%)	6.8 (9.1%)	+0.9	Record high!
Ordinary income	5.7	6.3	+0.6	Record high!
Net income	4.4	4.6	+0.2	Record high!

Foreign exchange rate

2023/3:1 \$ -JPY133.53 Assumed rate 1 \$ -JPY135,1€-JPY145

Non-consolidated

	FY2022 Results	FY2023 Outlook	Increase/ decrease
Sales	51.1	62.0	+10.9
Operating income (Operating profit margin)	4.0 (7.8%)	5.0 (8.1%)	+1.0 (+0.3pt)

Subsidiaries

	FY2022 Results	FY2023 Outlook	Increase/ decrease
Sales	21.0	21.0	±0
Operating income (Operating profit margin)	1.6 (7.6%)	1.9 (9.0 %)	+0.3 (+1.4pt)

*Subsidiary financial results are before consolidation adjustments. Therefore, non-consolidated + subsidiary does not = consolidated results.

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Improving Stable Profitability through Various Efforts

Mid-term business plan 2019

Covid
19

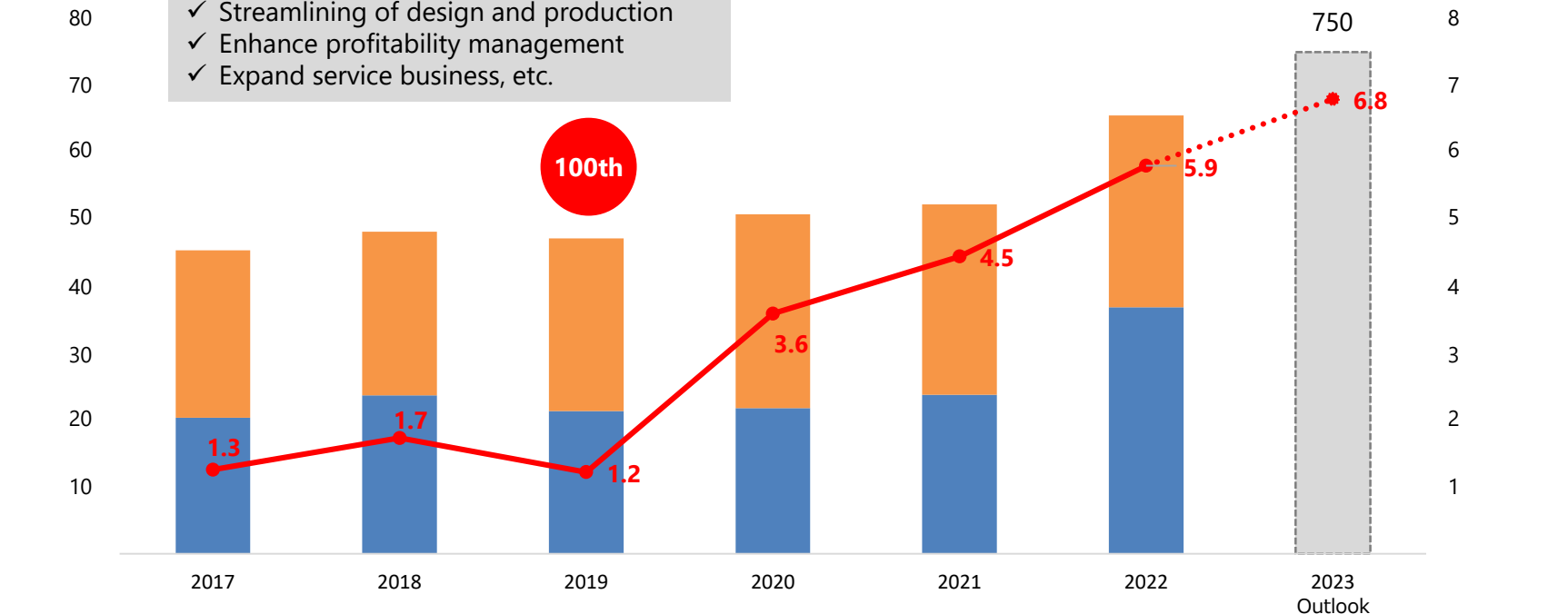
Mid-term business plan 2024
Beyond 110 (HOP)

Sales
billions of yen

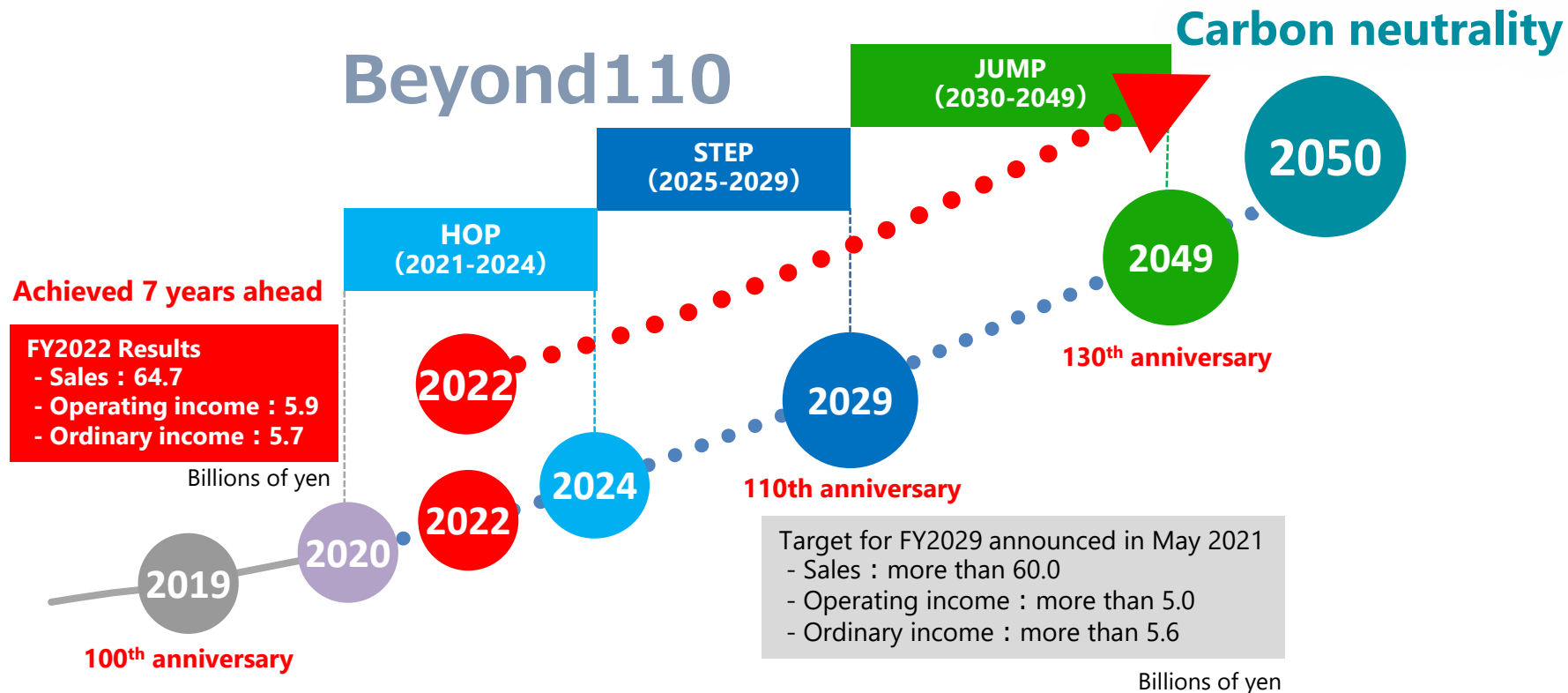
- ✓ Core system renewal
- ✓ Product standardization
- ✓ Streamlining of design and production
- ✓ Enhance profitability management
- ✓ Expand service business, etc.

■ Japan ■ Overseas — Operating income

Operating income
billions of yen

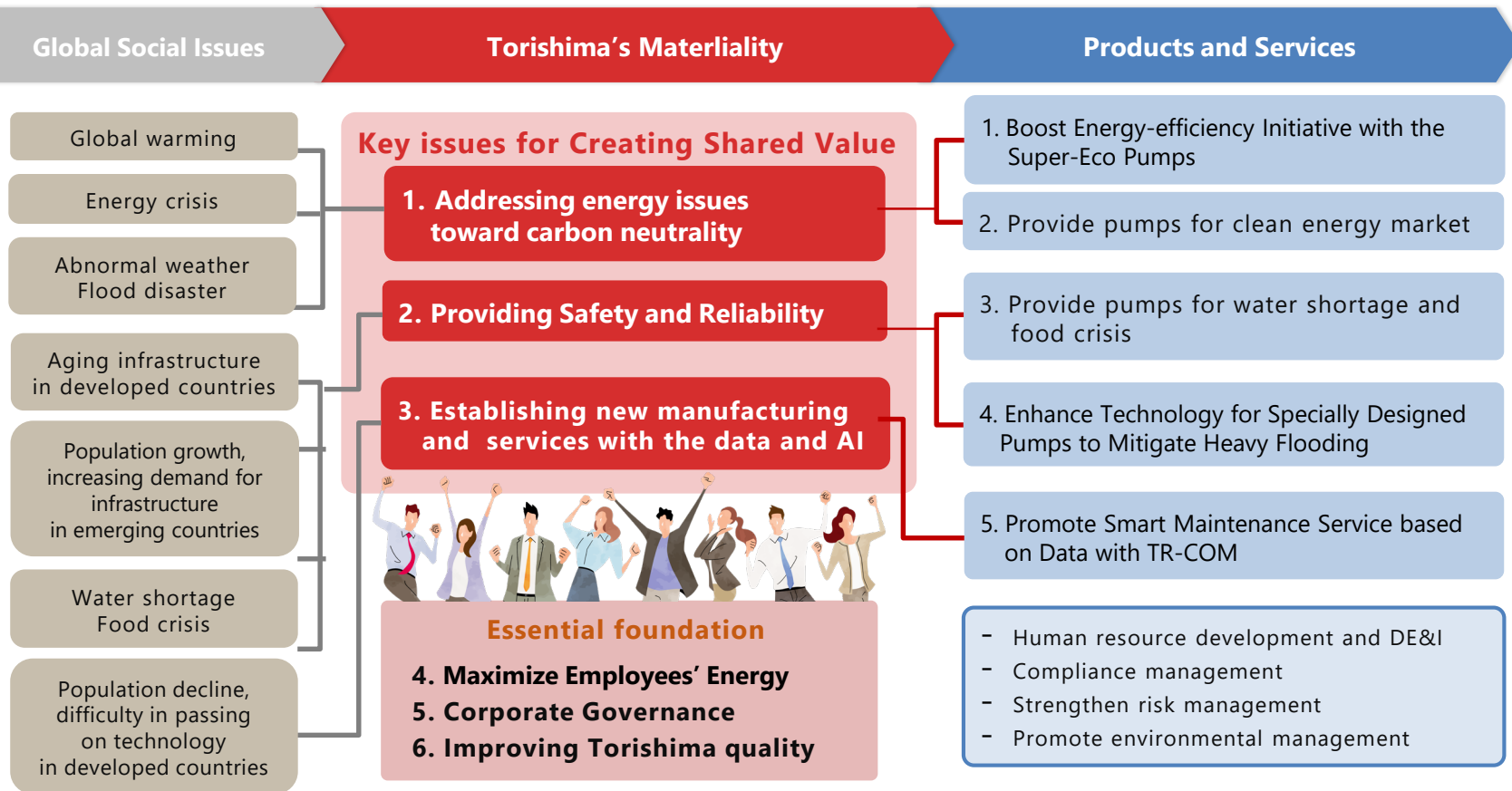


Medium-term management plan Beyond110 announced in May 2021



Torishima's Materiality

We will continue to contribute to solving social issues, aiming to be an indispensable company for society.



To be Indispensable to Society

Torishima's Materiality

Torishima's Materiality	Current status and future plans
<p>1 . Addressing energy issues toward carbon neutrality</p>	<ul style="list-style-type: none"> • Promote "Go Green with Pumps" initiatives by providing Super-Eco Pumps to the market, reducing CO2 emissions and power consumption. • Manufacture Japan's first pumps for ammonia co-firing power generation test facility, and developing an in-tank type pump for large-capacity applications in the future • Develop centrifugal hydrogen pumps for higher head and larger capacity, and actual hydrogen liquid tests scheduled to be conducted in FY2023. • Investment in ammonia and hydrogen testing and development facilities to accelerate development.
<p>2 . Providing Safety and Reliability</p>	<ul style="list-style-type: none"> • Provide our strong products with high technology such as Double-suction bellmouth, Vortex-preventing ring and Pumps with submersible motor to mitigate heavy flooding. • Enhance the quality of pumps to meet the increasing demand for water and food production in the developing countries of the Global South. (pumps for seawater desalination and transmission, and irrigation pumps) • Provide pumps with environmental protection (Fish Friendly Pumps that contribute to the protection of eel and fishery resources). • Expand service network to support appropriate O&M of pumps and plant equipment. • Expand production facilities to respond flexibly and agilely to global infrastructure demands.
<p>3 . Establishing new manufacturing and services with the data and AI</p>	<ul style="list-style-type: none"> • Provide smart maintenance TR-COM to solve problems of manpower shortage and technical succession at equipment sites. • Promote the shift from conventional TBM*1 to data-based CBM*2 to extend service life and save resources. • Promote the use of 3D technology in manufacturing to build next-generation production systems.

1. Addressing energy issues toward carbon neutrality

1. Promote energy-efficiency with Super Eco-Pumps

FY2022: Developed new Eco-pumps

FY2023: Launch sales activities of Super Eco-Pumps

2. Develop pumps for clean energy market

Ammonia

FY2021 : Received orders for pumps for ammonia co-firing power generation test facility



FY2022 : Develop in-tank pumps to meet requirement for large-capacity facility in the future



FY2023

Business alliance with Hermetic of Germany, the world's leading manufacturer of canned motor pumps, for in-tank ammonia pumps

Hydrogen

FY2021 : Started joint R&D with academic institutions



FY2022: Develop product for actual equipment testing



FY2023

- ✓ **Install equipment for testing and developing cryogenic liquefied gas at the HQ factory**
- ✓ **Actual fluid tests with hydrogen are scheduled to be conducted at JAXA's Noshiro Rocket Testing Center**

2. Providing Safety and Reliability

FY2016: Double-suction bellmouth is registered with 「NETIS^{*1}」

FY2021: Vortex-preventing ring is registered with 「NETIS」

FY2022: Pumps with submersible motor is registered with 「NNTD^{*2}」

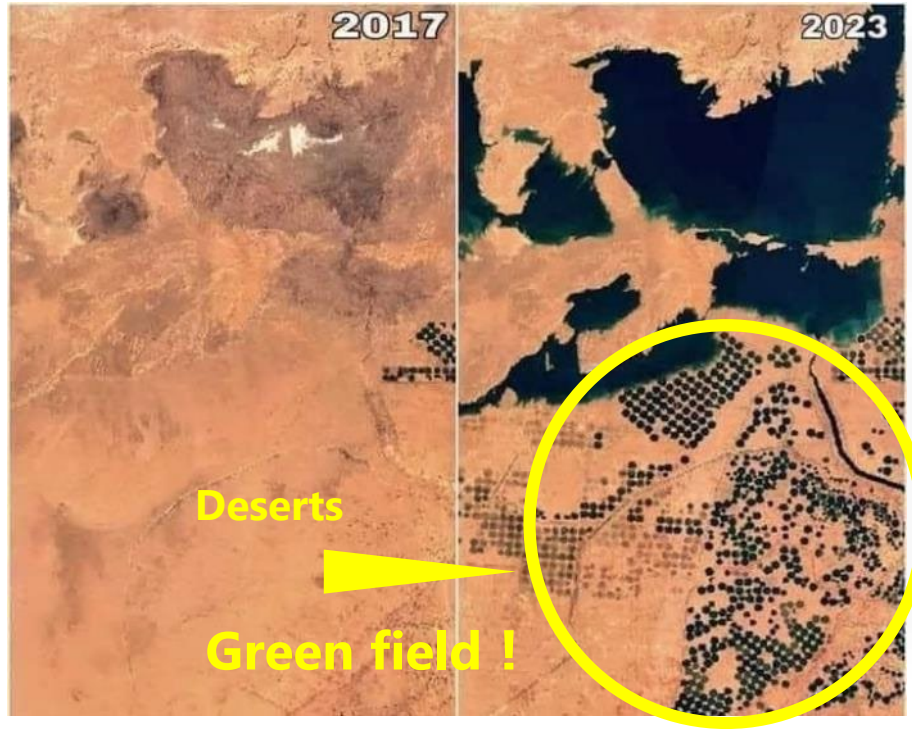


*1: New technology information system operated by the Ministry of Land, Infrastructure, Transport and Tourism.

*2: A database of private-sector technical information on agricultural and rural development by the National Center for Information on Agricultural and Rural Development.

2. Providing Safety and Reliability

Large-scale irrigation facilities are constructed in Egypt to increase food production. Torishima received an order for more than 200 large pumps for these projects.



2. Providing Safety and Reliability

Delivered pumps to nearly all of the world's top 20 desalination plants,
also recognized as a Global Niche Top Company

	Plants	Country	Torishima Pump	年
1	Jubail 2 Replacement	Saudi Arabia	✓	2022
2	Taweelah	UAE	✓	2019
3	Shoaiba 3	Saudi Arabia	✓	2005
4	Al Jubail	Saudi Arabia	✓	2007
5	Ras Al-Khair	Saudi Arabia	✓	2010
6	Umm al Quwain	UAE	✓	2019
7	Soreq 2	Israel		2020
8	Jebel Ali M Station	UAE	✓	2007
9	Khobar 2 Replacement	Saudi Arabia	✓	2019
10	Soreq	Israel		2010
11	Shoaiba 3 Conversion Project	Saudi Arabia		2022
12	Rabigh 3	Saudi Arabia	✓	2019
13	Jubail 3a	Saudi Arabia	✓	2020
14	Shoaiba 5	Saudi Arabia		2020
15	Jubail 3b IWP	Saudi Arabia	✓	2021
16	Yanbu 3	Saudi Arabia	✓	2012
17	Magtaa	Algeria	✓	2009
18	Az-Zour North	Kwait	✓	2014
19	Al Jubail Phase 2	Saudi Arabia	✓	1979
20	Shuweihat 2	UAE	✓	2009

Also have a proven track record in seawater desalination plants around the world.



RO High pressure pump

Source: IDA DESALINATION & REUSE HANDBOOK 2022-2023 **New projects with red highlight**

Building new manufacturing and services with the data and AI

The rotating machinery monitoring system TR-COM, which has been on sale since 2018, exceeded 10,000 cumulative installations in FY2022.

In November 2022, the Smart Security Promotion Committee of the Ministry of Economy, Trade and Industry certified TR-COM as a "Smart Maintenance Technology."

TR-COM has been adopted as an IoT-based facility inspection system in the "Next Generation Facility Operation Model for the Realization of Society 5.0" by Mitsubishi Estate Co, Trishima's

[Mitsubishi Estate Website](#)

[Smart Security Technology](#)

[TR-COM](#)

4. Maximize Employees' Energy

At Torishima, we believe that "the growth of people is the growth of a company" and "human resources are the best asset". We are creating an working environment in which each and every employee can maximize his or her potential.

- ✓ **Raised the base salary for two consecutive years**
- ✓ **Significant increase in starting salary for new graduates**
- ✓ **DX assessments and year-round DX training for all employees**

5 -1. ESG management

Strengthen governance, Promote diversity among directors

FY2022



Rieko Ueda (Outside)

President and Representative Director,
Mothernet, Inc.

After working for 17 years as an engineer at a chemical products manufacturer, she established Mothernet, Inc. in 2001, has been working to realize a society where everyone can work comfortably, centering on working mothers.

FY2023 Candidates



Gerald Ashe (In-house)

Born in Scotland, UK

After working for a pump manufacturer in the UK, he joined Torishima in 2003 as President of Torishima Europe, he then headed our TGT Division for over 10 years contributing to the company's global expansion. He is now Deputy CEO



Alister Flett (In-house)

Born in Scotland, UK

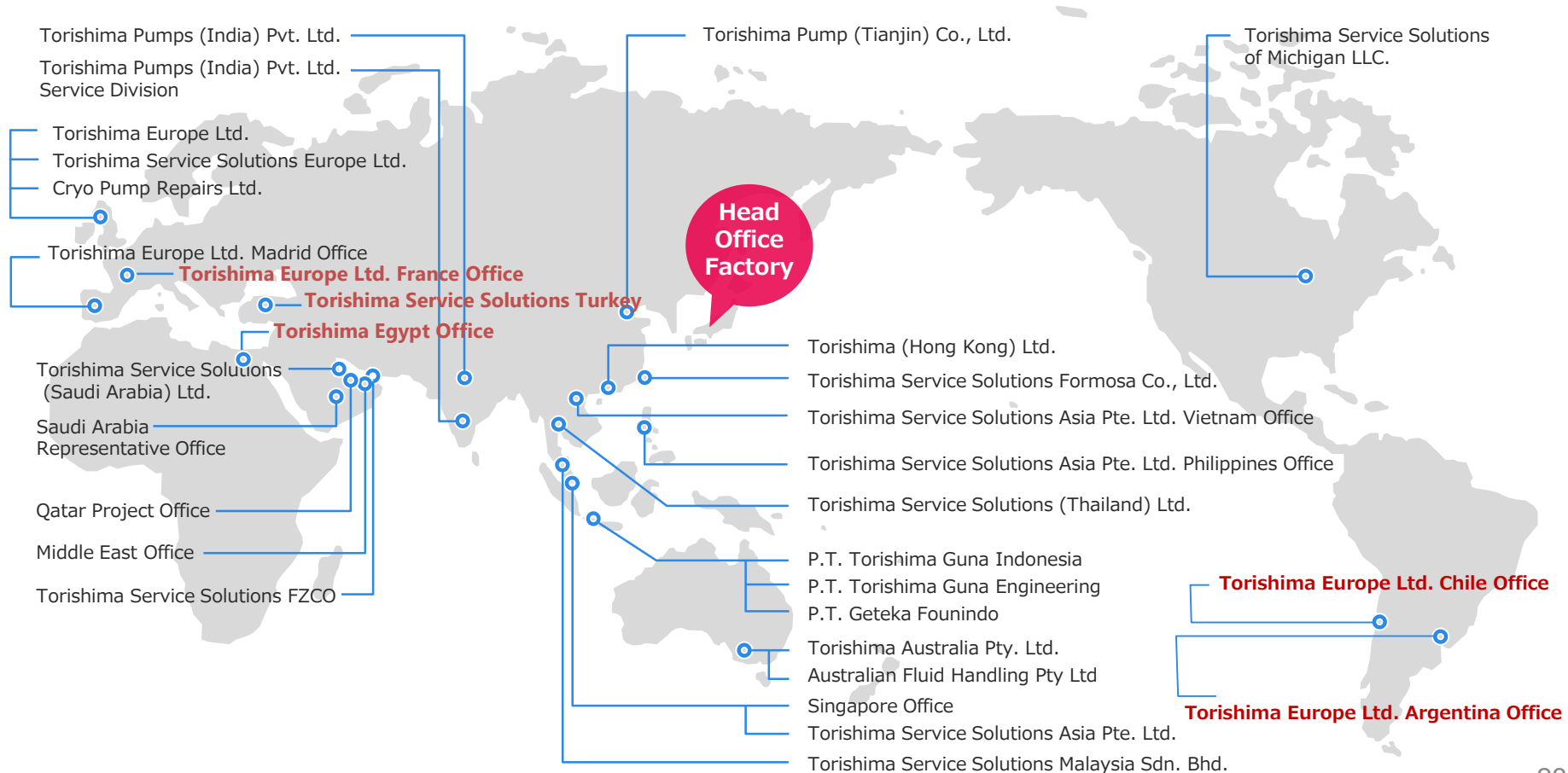
After working for a pump manufacturer in the UK, he joined Torishima in 2004. Utilizing his knowledge as an engineer, he contributed to the establishment of Torishima Service Solutions and the expansion of its service business. He is now Co-COO



Yuji Abe (Outside)

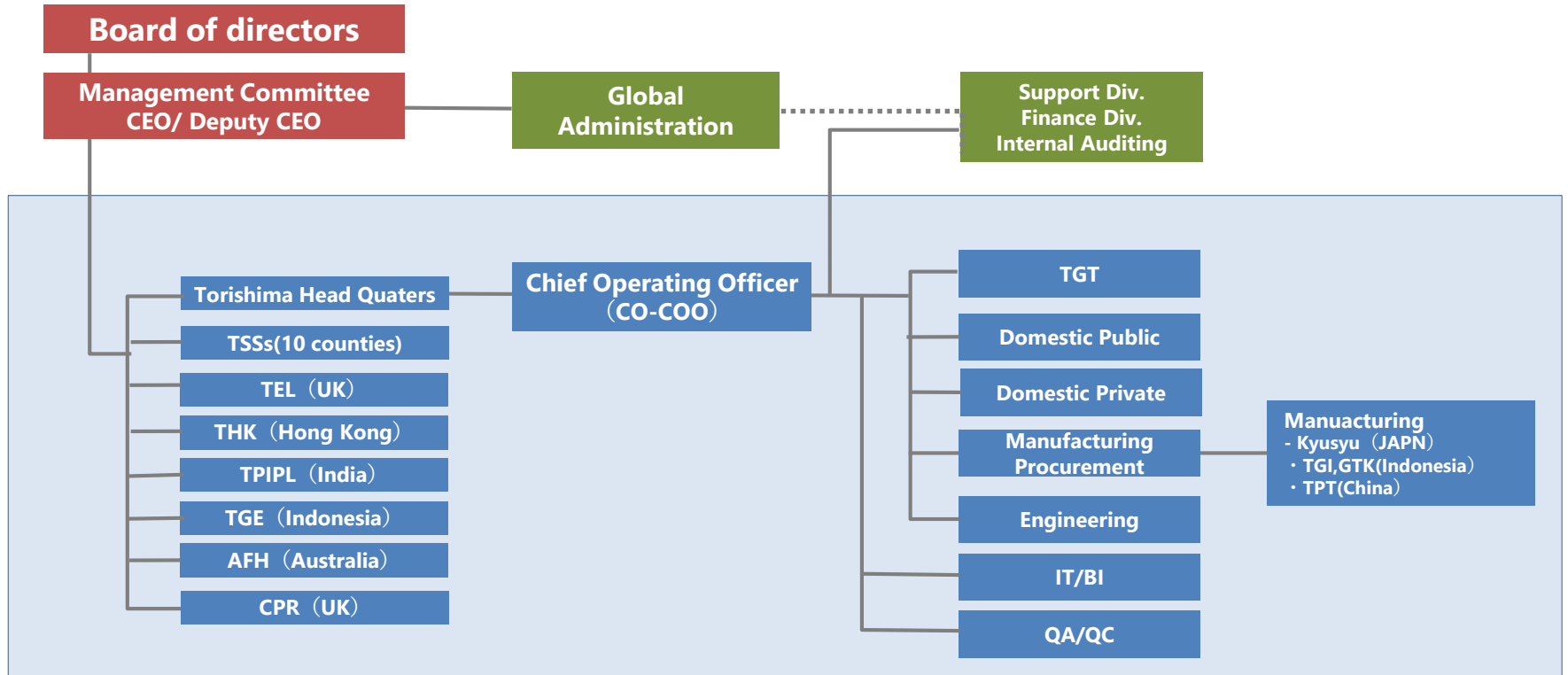
He has specialized knowledge and experience in finance gained through his many years of work as a banker. He has also held positions such as General Manager of the Compliance Department and Outside Corporate Auditor.

Global Network



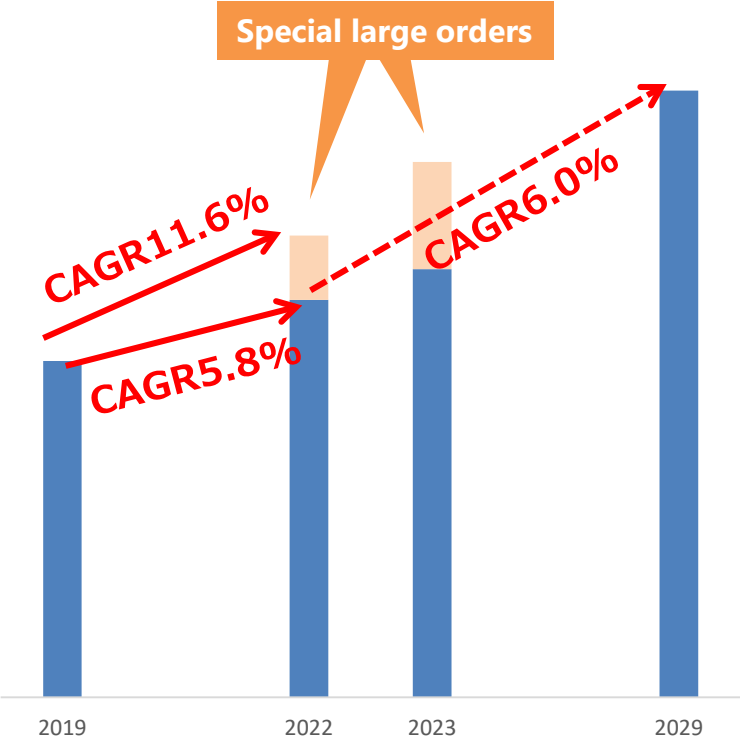
5-2. ESG management

Torishima Pump Mfg. Co., Ltd. renewed its management structure from FY2023, separating "Administration and Operation". The governance of Torishima Group will be strengthened.



Financial Target towards FY2029

Pursuing both corporate growth and providing a strong contribution to society, and solving social issues, We aim to achieve 6% annual growth by 2029, the 110th anniversary of the company's founding, compared to 2022



	FY2019-FY2022 Results	FY2029 Targets
Growth (Sales CAGR)	11.6% (5.8% excluding special large orders)	more than 6.0%
Profitability (Operating profit margin)	6.9% (4-year average)	more than 9.0%
Efficiency (ROE)	7.6% (4-year average)	more than 9.0%

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Basic policy of the Shareholders Return

As a pump manufacturer that supports the water and electricity infrastructure, Torishima considers it an important management objective to provide stable and continuous returns to shareholders as well as achieving steady growth over the long term.

(1) Annual dividend

After prioritizing investments necessary for value creation from a medium- to long-term perspective, We aim to maintain a **dividend on equity (DOE) ratio of 3.0% and a dividend payout ratio of 35%**, with a **progressive dividend payout ratio**.

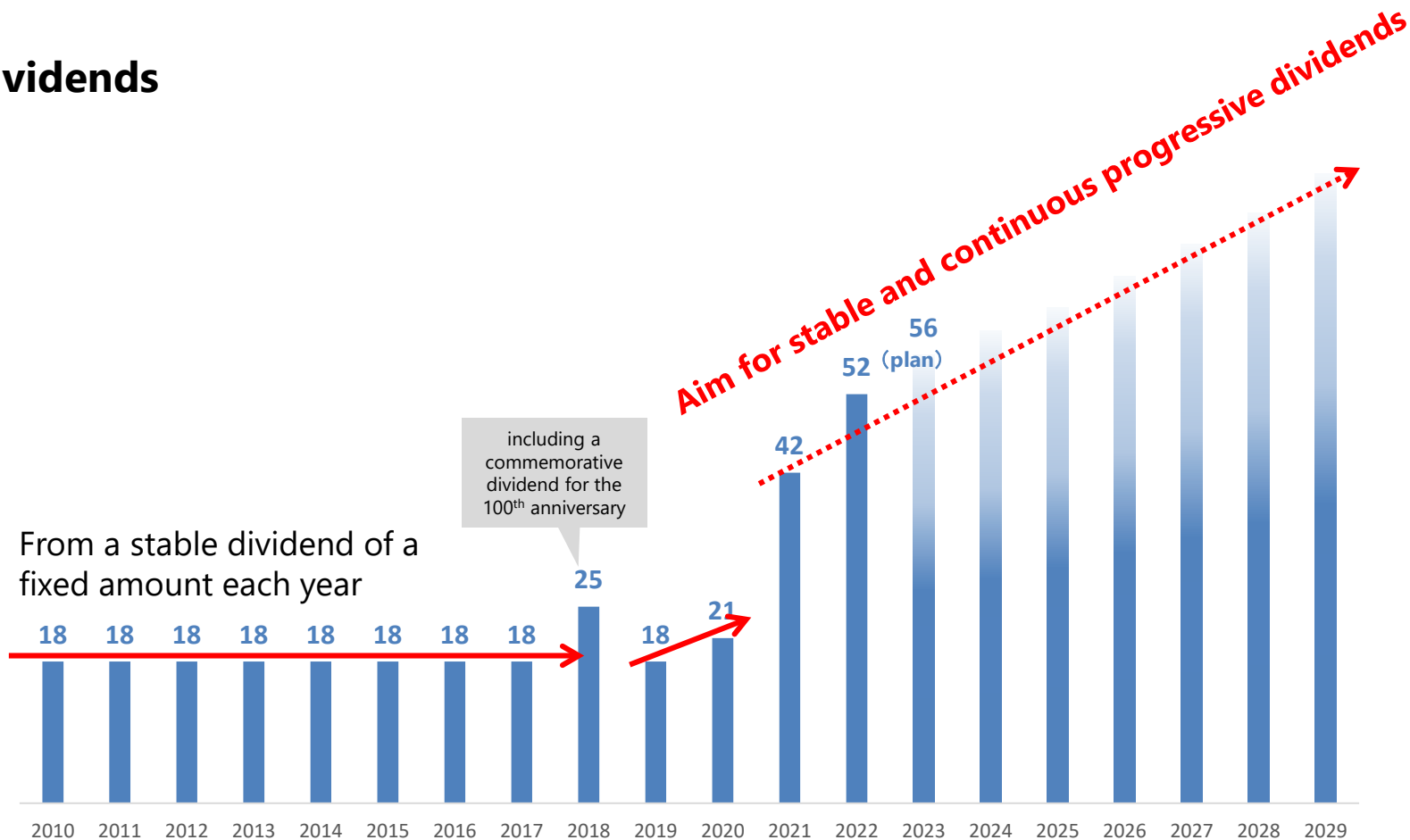
(2) Treasury stock:

To be implemented flexibly, taking into consideration the necessary level of retained earnings, changes in the capital situation and the business environment, and trends in the Company's stock price,

Based on the above, the **annual dividend for FY2022 is expected to be 52 yen, up 8 yen from the originally planned 44 yen**.

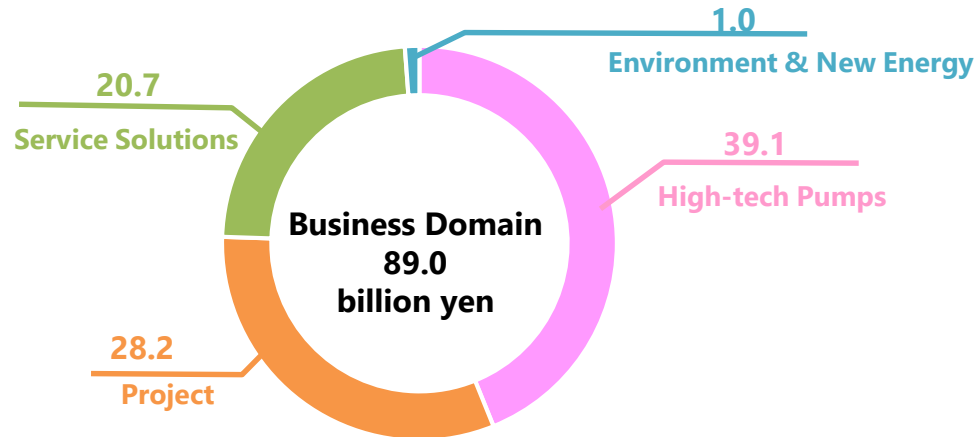
	FY2021	FY2022	FY2023 plan
Annual dividend (JPY)	42	52	56
Dividend on Equity (%)	2.7%	3.0%	3.0%
Payout Ratio (%)	30.5%	31.1%	31.6 %

Dividends



Appendix

FY2022 Orders Received by Business Domain and Segment



High-tech Pumps

Large-size engineered pumps for thermal power plants, seawater desalination plants, water and wastewater pumping stations and irrigation plants. And small-sized engineered pumps, The Eco-Pump™ for general industries.

Project

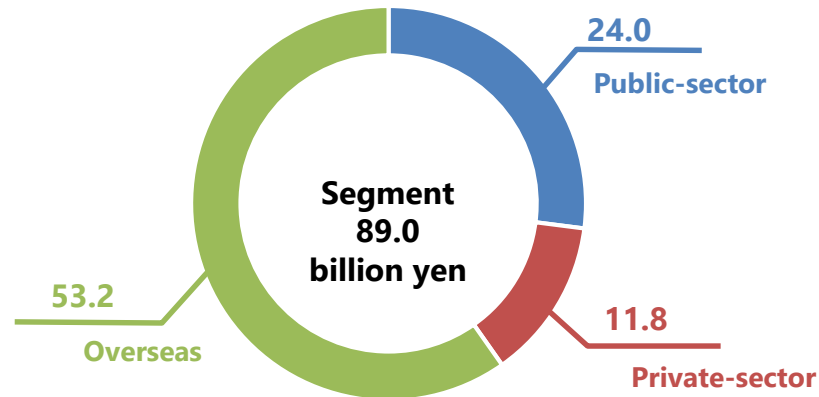
EPC project (engineering, procurement, construction) for turnkey pumping stations

Service Solutions

After-sales services including maintenance, inspection, REDU (Re Engineering & Design Up), spare parts replacement, overhaul and dispatch of SV etc.

Renewal Energy & Environment

Wind power generation, Mini- & Micro-hydro generation



Public-sector

For national and local governments in Japan for water and wastewater facilities, drainage facilities, irrigation facilities, etc.

Private-sector

For private companies in Japan for thermal power plants (for business use, including biomass power generation, waste incineration power generation, and private power generation), various factories in general industries, building equipment, commercial facilities, etc.

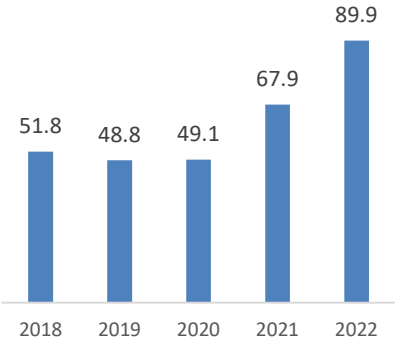
Oversees

For overseas seawater desalination plants, power plants, water and wastewater pumping stations and irrigation plants.

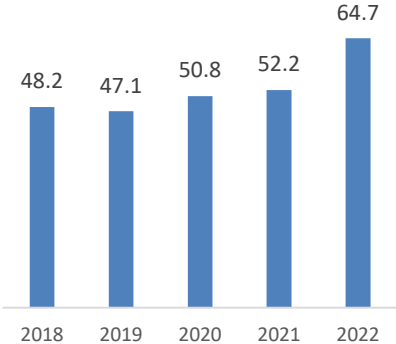
5 Years Summaries Business Performance

Billions of yen

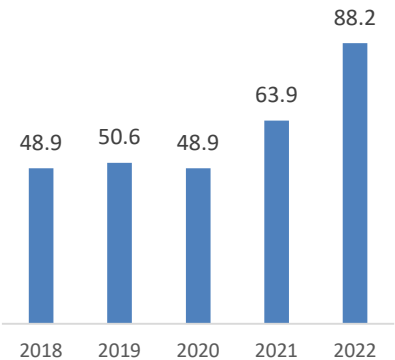
Order received



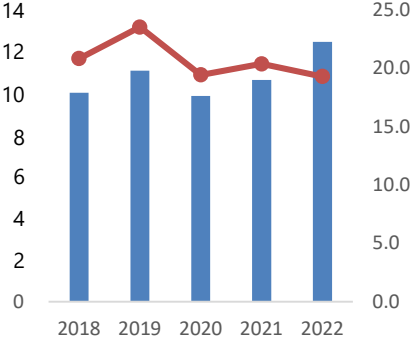
Sales



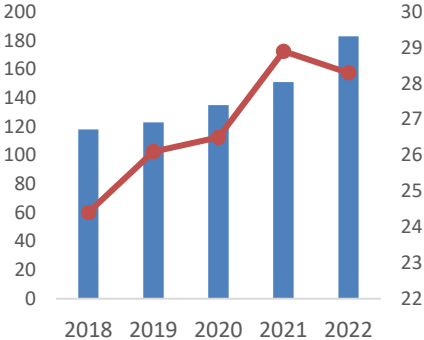
Order backlog



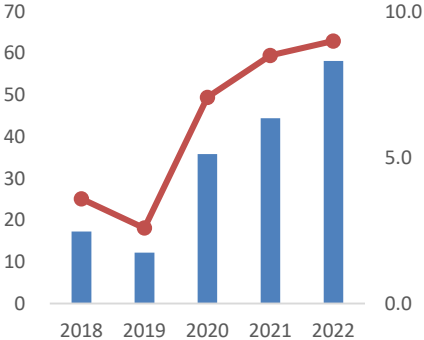
SG&A expences



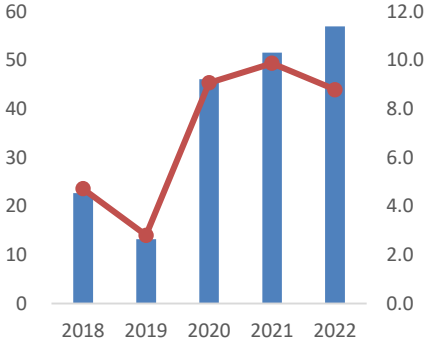
Gross Operating Income /Profit Margin(%)



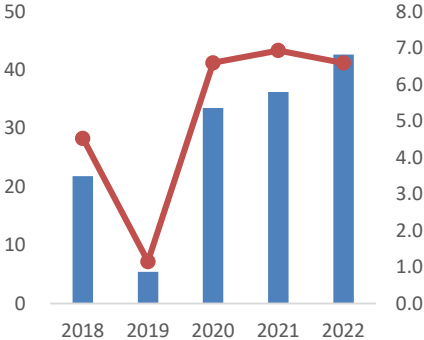
Operating Income /Profit Margin(%)



Ordinary Income /Profit Margin(%)



Net Income /Profit Margin(%)

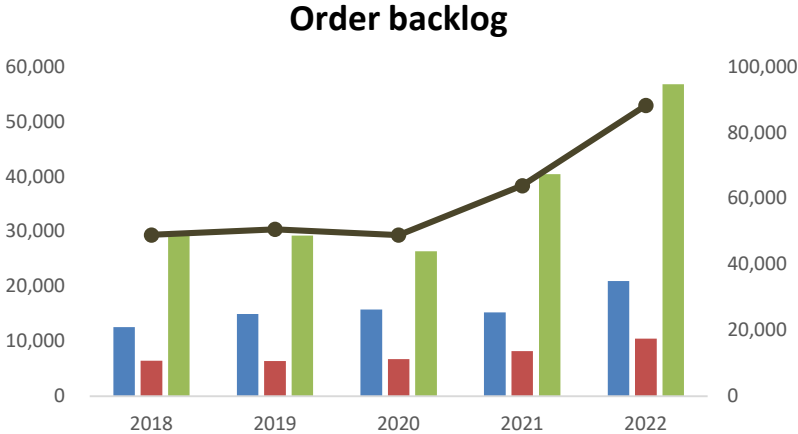
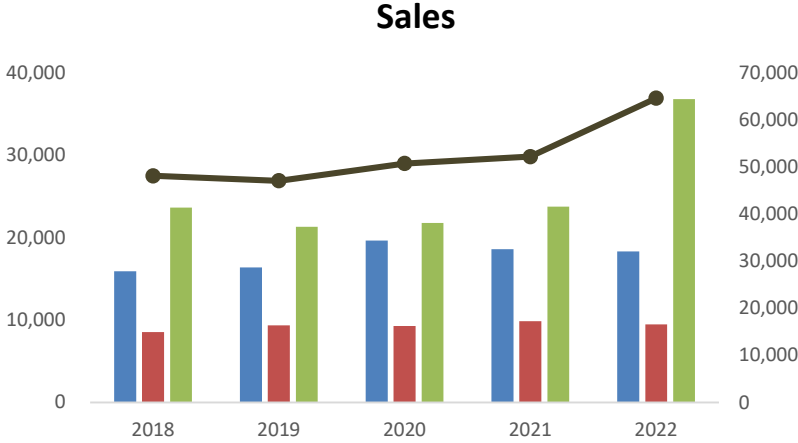
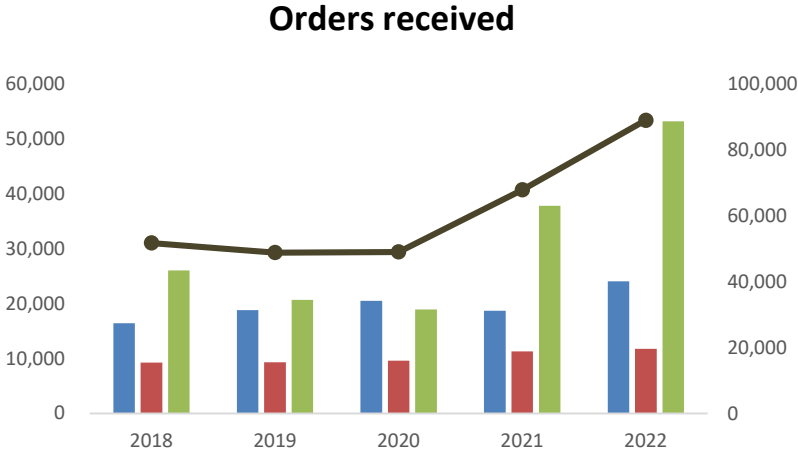


Orders received, Sales and Orders Backlog by segment

Millions of yen

		FY2021			FY2022		
		Orders received	Sales	Order Backlog	Orders received	Sales	Order Backlog
Public sector		18,715	18,612	15,272	24,061	18,353	20,980
	YoY rate	-8.7%	—	—	28.6%	-1.4%	37.4%
Private sector		11,334	9,862	8,197	11,770	9,468	10,499
	YoY rate	17.8%	—	—	3.8%	-4.0%	28.1%
Overseas		37,837	23,765	40,446	53,197	36,838	56,805
	YoY rate	99.9%	—	—	40.6%	55.0%	40.4%
Total		67,887	52,240	63,916	89,028	64,659	88,286
	YoY rate	38.4%	—	—	31.1%	23.8%	38.1%

Orders received, Sales and Orders Backlog by segment



Left

Public Private Overseas

Total

● Total

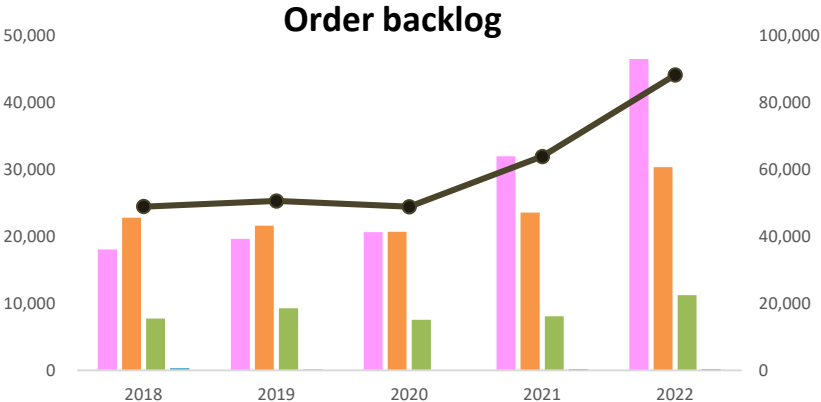
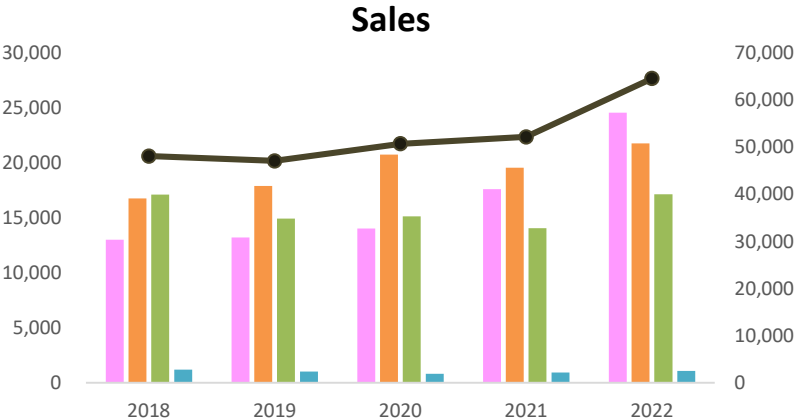
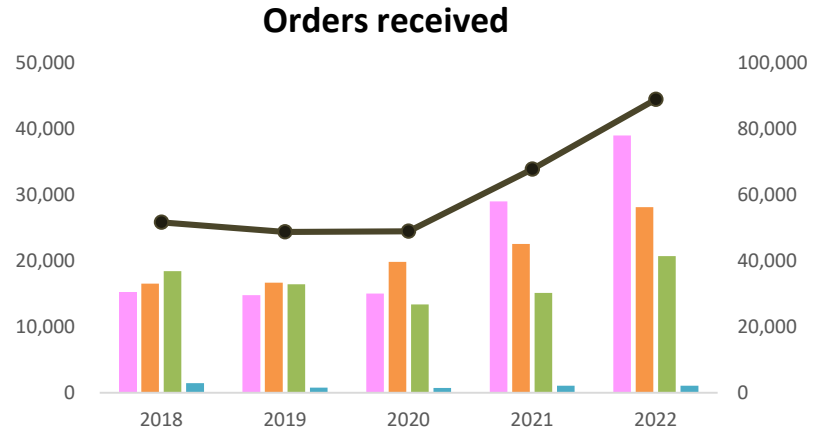
Millions of yen

Orders received, Sales and Orders Backlog by Business Domain

Millions of yen

		FY2021			FY2022		
		Orders received	Sales	Order Backlog	Orders received	Sales	Order Backlog
High-tech Pumps		29,035	17,619	32,076	39,064	24,602	46,539
	YoY rate	92.7%	—	—	34.5%	39.6%	45.1%
Projects		22,585	19,592	23,583	28,172	21,812	30,344
	YoY rate	13.8%	—	—	24.7%	11.3%	28.7%
Service Solutions		15,180	14,087	8,079	20,737	17,172	11,243
	YoY rate	13.3%	—	—	36.6%	21.9%	39.2%
Renewable Energy & Environment		1,087	942	178	1,055	1,073	160
	YoY rate	46.5%	—	—	▲2.9%	13.9%	▲10.1%
Total		67,888	52,240	63,916	89,028	64,659	88,286
	YoY rate	38.4%	—	—	31.1%	23.8%	38.1%

Orders received, Sales and Orders Backlog by Business Domain

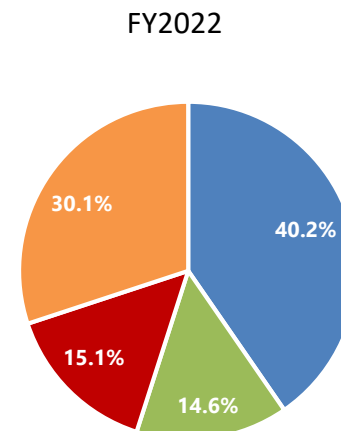
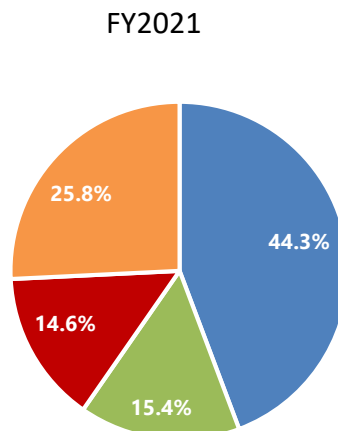
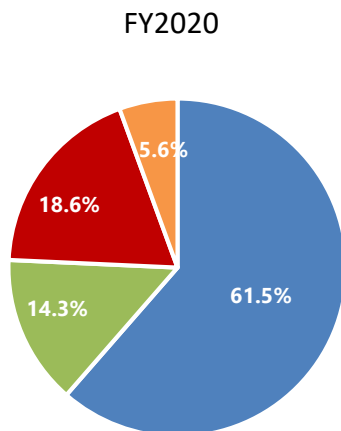


- Left
- High-tech Pumps
 - Projects
 - Service Solutions (aftermarket service)
 - Renewable Energy and Environment
- Right
- Total
- Millions of yen

Orders Received Breakdown by Region

Billions of yen

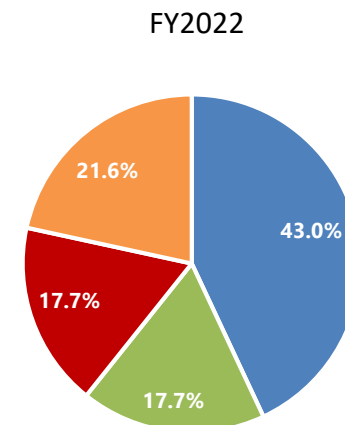
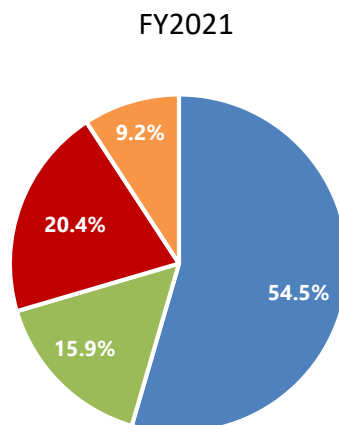
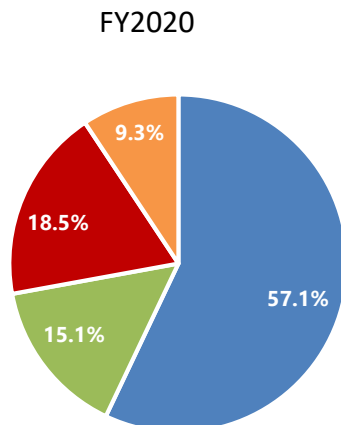
	Japan	Overseas	Breakdown			Total
			Asia	Middle East	Other	
FY2020	30.2 (61.5%)	18.9 (38.5%)	7.0 (14.3%)	9.2 (18.6%)	2.7 (5.6%)	49.1
FY2021	30.1 (44.3%)	37.8 (55.7%)	10.4 (15.3%)	9.9 (14.6%)	17.5 (25.8%)	67.9
FY2022	36.0 (40.2%)	53.2 (59.8%)	13.0 (14.6%)	13.4 (15.0%)	26.8 (30.1%)	89.0



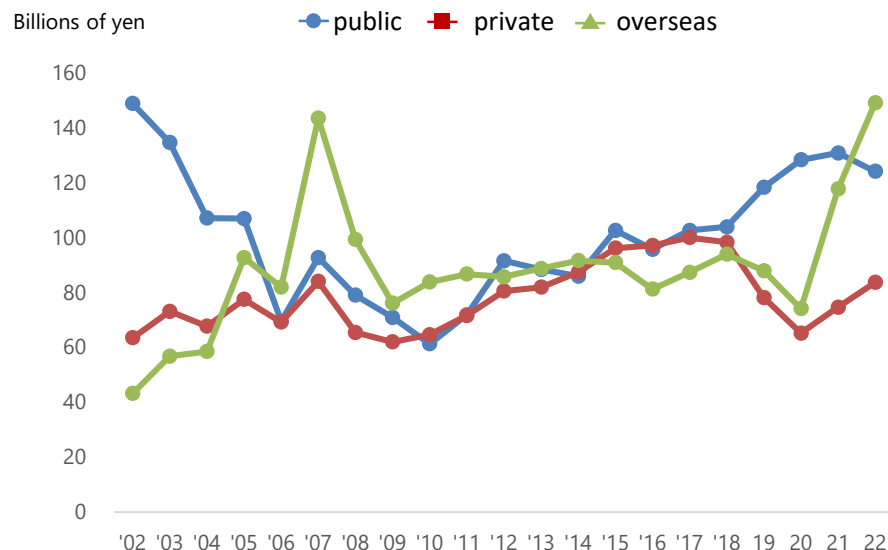
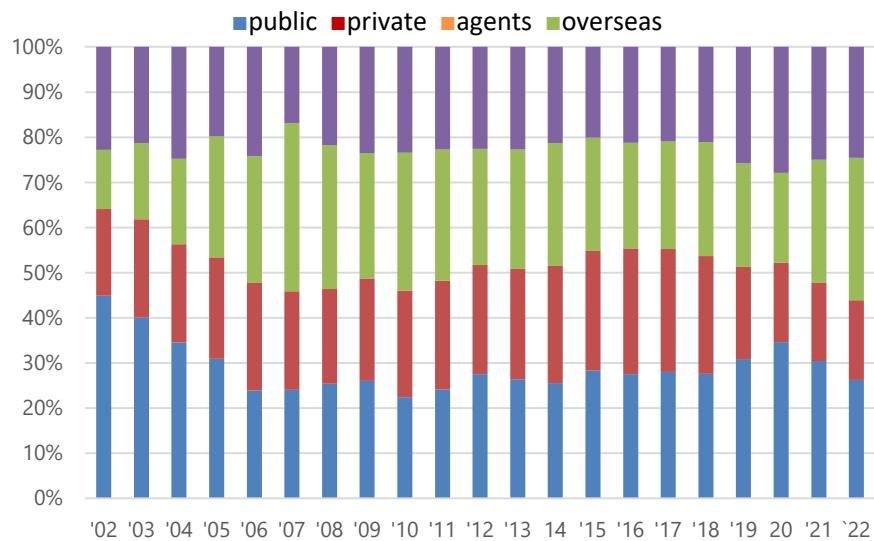
Sales Breakdown by Region

Billions of yen

	Japan	Overseas	Breakdown			Total
			Asia	Middle East	Other	
FY2020	29.1 (57.1%)	21.8 (42.9%)	7.7 (15.1%)	9.4 (18.5%)	4.7 (9.3%)	50.8
FY2021	28.4 (54.5%)	23.8 (45.5%)	8.3 (15.9%)	10.6 (20.4%)	4.8 (9.2%)	52.2
FY2022	27.8 (43.0%)	36.8 (57.0%)	11.4 (17.7%)	11.4 (17.7%)	14.0 (21.6%)	64.7



Pump Market in Japan



billions of yen																						
	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	19	20	21	22	YOY
Public	149	135	107	107	70	93	79	71	61	72	92	88	86	103	96	103	104	118	128	131	124	94.9%
Private	64	73	68	78	69	84	65	62	65	72	81	82	87	96	97	100	98	78	65	75	84	112.1%
Overseas	43	57	59	93	82	144	99	76	84	87	86	89	92	91	81	87	94	88	74	118	149	126.6%
Agents	76	72	77	68	70	65	68	64	64	68	75	76	72	73	74	77	79	99	104	107	116	108.2%
Total	331	336	310	346	291	386	311	273	274	298	333	335	336	363	348	367	376	383	371	431	466	108.3%

Source: The Japan Society of Industrial Machinery Manufactures

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】

Torishima Pump Mfg.Co.,Ltd.
Investor & Public Relations Office
Tel : +81(0)72-695-0551
Email : ir-torishima@torishima.co.jp