

Consolidated Financial Results for the 2nd Quarter of FY2022

(April 1st 2022 ~ September 30th 2022)

11th November, 2022

TORISHIMA PUMP MFG.CO.,LTD.

【1】 Financial Results for the 2Q FY2022

【2】 FY2022 Full-Year Forecast

【1】 Financial Results for the 2Q FY2022

【2】 FY2022 Full-Year Forecast

2Q FY2022 Highlights

- ✓ **Orders received increased significantly driven by a strong demand overseas.**
- ✓ **Operating income also increased significantly with increased sales and improved profit margins.**
- ✓ **Full-year plan revised upward due to solid performance and Yen depreciation.**

2Q FY2022 Financial Results Outline

		Billions of yen	YOY billions of yen
● Orders Received	...	45.4	+15.5
● Sales	...	25.1	+3.7
● Operating Income	...	1.0	+0.7
● Ordinary Income	...	1.2	+0.7
● Net Income	...	0.8	+0.5

2Q FY2022 Consolidated Financial Results

Orders Received: 15.3% decrease in public-sector, 12.9% increase in private-sector. 125.2% increase in overseas sectors driven by large orders from North Africa and the Middle East resulting in an overall order increase of 51.8% to 45.5 billion yen.

Sales: 2.5% increase in public-sector, 2.5% decrease in private-sector, 17.3% increase in overseas, resulted in an overall increase of 17.3% to 25.1 billion yen.

Profits: Increased by 0.7 billion yen due to increased sales and higher gross profit margin.

Billions of yen

	2Q FY2021	2Q FY2022	YOY		FY2022 plan	Progress
			Amount	%		
Orders Received	29.9	45.4	+15.5	+51.8%	57.0	79.6%
Sales	21.4	25.1	+3.7	+17.3%	62.0	40.5%
Gross Operating Income (Gross profit margin)	5.4 (25.2%)	7.1 (28.3%)	+1.7 (+3.1pt)	+31.5%	16.4 (26.5%)	43.3%
SG&A expense	5.1	6.1	+1.0	+19.6%	11.4	53.5%
Operating income (Operating profit margin)	0.3 (1.4%)	1.0 (4.0%)	+0.7 (+2.6pt)	+233.3%	5.0 (8.1%)	20.0%
Non-operating Profit or loss	0.1	0.2	+0.1	+100.0%	—	
Ordinary income	0.5	1.2	+0.7	+140.0%	5.0	24.0%
Extraordinary profit or loss	0.0	-0.1	-0.1	—	—	
Net income	0.3	0.8	+0.5	+166.7%	3.7	21.6%

Foreign exchange rate (1USD)

¥111.92
30/09/2021

¥144.81
30/09/2022

Assumed rate ¥125

2Q FY2022 Financial Results (Non-consolidated / Subsidiaries)

■ Non-consolidated

Billions of yen

	2Q FY2021	2Q FY2022	YOY	
			Amount	%
Sales	17.5	19.1	+1.6	+9.1%
Gross Operating Income (Gross profit margin)	3.4 (19.4%)	4.1 (21.5%)	+0.7 (+2.1pt)	+20.6%
SG&A expense	3.3	3.7	+0.4	+12.1%
Operating income (Operating profit margin)	0.1 (+0.6%)	0.5 (2.6%)	+0.4 (+2.0pt)	+400.0%

- ✓ Profitability for overseas improved and gross profit margin up by 20.6%.
- ✓ Although SG&A expenses increased along with operating activities recovered following the easing of coronavirus restrictions, operating income increased significantly due to increased sales and higher profit margins.
- ✓ There was also the impact of increased sales due to the yen's depreciation is +0.7 billion yen.

■ Subsidiaries

Billions of yen

2Q FY2020	2Q FY2021	YOY	
		Amount	%
6.9	9.6	+2.7	+39.1%
2.3 (33.3%)	3.2 (33.3%)	+0.9 (±0pt)	+39.1%
2.2	2.6	+0.4	+18.2%
0.2 (2.9%)	0.5 (5.2%)	+0.3 (+2.3pt)	+150.0%







- ✓ The business conditions returned to pre-Covid in almost all countries, sales activity increased, resulting in higher sales and profits.
- ✓ Newly consolidated Australian services subsidiary contributed.
- ✓ The impact of increased sales due to the yen's depreciation is +1.2 billion yen.

Overseas Subsidiaries 2Q Sales Trend

Service businesses recovered while coronavirus restrictions eased in almost all countries, exceeding pre-Covid level.



Business Domain Summary and Gross Profit Margin

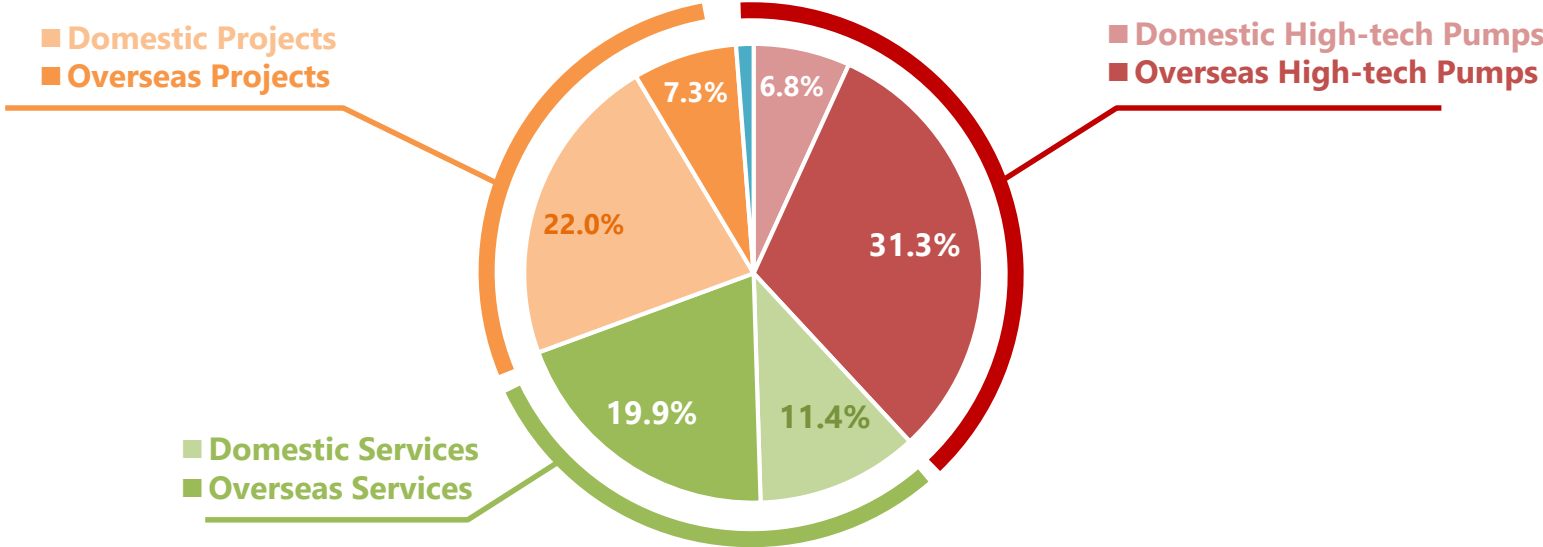
		High-Tech Pumps	Service Solutions	Projects
Domestic	Summary	<ul style="list-style-type: none"> Large high-tech pumps for mainly power plants including GTCC and biomass plants Standard pumps, Eco-pumps, for general industries. 	<ul style="list-style-type: none"> Overhaul, repair and parts replacement of pumps mainly for power plants, and energy efficiency proposals. 	<ul style="list-style-type: none"> EPC projects for public sector demand, including water supply, sewage, rainfall drainage, and irrigation facilities
	Profitability	<ul style="list-style-type: none"> Profitability for standard pumps are stable, those for large high-tech pumps improve due to higher productivity. 	<ul style="list-style-type: none"> Steady growth and stable profitability. 	<ul style="list-style-type: none"> Profitability is stable, due to public works projects for national and local governments. 
Overseas	Summary	<ul style="list-style-type: none"> High-tech pumps including pumps for seawater desalination plants, water supply plants, irrigation and power plants. 	<ul style="list-style-type: none"> Overhaul, repair and parts replacement of pumps for power plants and water plants (desalination, water supply, etc.), REDU and upgrade. 	<ul style="list-style-type: none"> Contracting business for plants related to pumps, including mechanical and electrical engineering and construction (EPC work)
	Profitability	<ul style="list-style-type: none"> Previously struggled to secure profits, yet its profitability improved through various efforts such as productivity improvement and risk management, in addition to the yen's depreciation. 	<ul style="list-style-type: none"> There are increase/decrease depending on the subsidiaries, and the total remains stable profitability. 	<ul style="list-style-type: none"> Profitability increase as a result of selective order-receiving not taking low-profitability projects 

* YoY Trends in Gross Profit Margin : ↗ Up → Flat ↘ Down

Sales Breakdown by Business Domain

Sales breakdown remained similar compared to the previous fiscal year, however, the profitability of "Overseas High-tech Pumps" improved and overall profit increased significantly.

Sales breakdown of 2Q FY2022 (percentages in parentheses)



Orders Received by Business Domain

Millions of yen

	Orders received over 6 years (■ First-half ■ Second-half)	Summary																												
<h2>High-tech Pumps</h2>	<table border="1"> <caption>High-tech Pumps Orders (Millions of yen)</caption> <thead> <tr> <th>Year</th> <th>First-half</th> <th>Second-half</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>7,000</td> <td>5,000</td> <td>12,000</td> </tr> <tr> <td>2018</td> <td>8,000</td> <td>7,000</td> <td>15,000</td> </tr> <tr> <td>2019</td> <td>8,000</td> <td>7,000</td> <td>15,000</td> </tr> <tr> <td>2020</td> <td>7,000</td> <td>8,000</td> <td>15,000</td> </tr> <tr> <td>2021</td> <td>11,000</td> <td>17,000</td> <td>28,000</td> </tr> <tr> <td>2022</td> <td>21,000</td> <td>0</td> <td>21,000</td> </tr> </tbody> </table>	Year	First-half	Second-half	Total	2017	7,000	5,000	12,000	2018	8,000	7,000	15,000	2019	8,000	7,000	15,000	2020	7,000	8,000	15,000	2021	11,000	17,000	28,000	2022	21,000	0	21,000	<ul style="list-style-type: none"> • Almost achieved its full-year plan driven by large-scale orders in North Africa and the Middle East, which have continued since the second half of FY2021. • While pumps for domestic power plants have been seeing slow down, the Eco-Pumps are making steady progress following the carbon neutrality movements.
Year	First-half	Second-half	Total																											
2017	7,000	5,000	12,000																											
2018	8,000	7,000	15,000																											
2019	8,000	7,000	15,000																											
2020	7,000	8,000	15,000																											
2021	11,000	17,000	28,000																											
2022	21,000	0	21,000																											
<h2>Service Solutions</h2>	<table border="1"> <caption>Service Solutions Orders (Millions of yen)</caption> <thead> <tr> <th>Year</th> <th>First-half</th> <th>Second-half</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>7,000</td> <td>8,000</td> <td>15,000</td> </tr> <tr> <td>2018</td> <td>11,000</td> <td>7,000</td> <td>18,000</td> </tr> <tr> <td>2019</td> <td>8,000</td> <td>8,000</td> <td>16,000</td> </tr> <tr> <td>2020</td> <td>6,000</td> <td>7,000</td> <td>13,000</td> </tr> <tr> <td>2021</td> <td>7,000</td> <td>8,000</td> <td>15,000</td> </tr> <tr> <td>2022</td> <td>12,000</td> <td>0</td> <td>12,000</td> </tr> </tbody> </table>	Year	First-half	Second-half	Total	2017	7,000	8,000	15,000	2018	11,000	7,000	18,000	2019	8,000	8,000	16,000	2020	6,000	7,000	13,000	2021	7,000	8,000	15,000	2022	12,000	0	12,000	<ul style="list-style-type: none"> • In FY2022, almost all countries have returned to pre-Corona conditions, orders received reached nearly 80% of the full-year FY2021 level. • Expect continuing strong orders in the second half as well, exceeding the Pre-Corona level in the full-year FY2022.
Year	First-half	Second-half	Total																											
2017	7,000	8,000	15,000																											
2018	11,000	7,000	18,000																											
2019	8,000	8,000	16,000																											
2020	6,000	7,000	13,000																											
2021	7,000	8,000	15,000																											
2022	12,000	0	12,000																											
<h2>Projects</h2>	<table border="1"> <caption>Projects Orders (Millions of yen)</caption> <thead> <tr> <th>Year</th> <th>First-half</th> <th>Second-half</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>9,000</td> <td>5,000</td> <td>14,000</td> </tr> <tr> <td>2018</td> <td>11,000</td> <td>5,000</td> <td>16,000</td> </tr> <tr> <td>2019</td> <td>6,000</td> <td>10,000</td> <td>16,000</td> </tr> <tr> <td>2020</td> <td>12,000</td> <td>8,000</td> <td>20,000</td> </tr> <tr> <td>2021</td> <td>11,000</td> <td>11,000</td> <td>22,000</td> </tr> <tr> <td>2022</td> <td>11,000</td> <td>0</td> <td>11,000</td> </tr> </tbody> </table>	Year	First-half	Second-half	Total	2017	9,000	5,000	14,000	2018	11,000	5,000	16,000	2019	6,000	10,000	16,000	2020	12,000	8,000	20,000	2021	11,000	11,000	22,000	2022	11,000	0	11,000	<ul style="list-style-type: none"> • Although domestic projects (public section) struggled in the first half of the year, the market itself is expected to continually see stable demand in FY2022. • Regarding overseas projects, to avoid high risks, not taking low-profitability projects
Year	First-half	Second-half	Total																											
2017	9,000	5,000	14,000																											
2018	11,000	5,000	16,000																											
2019	6,000	10,000	16,000																											
2020	12,000	8,000	20,000																											
2021	11,000	11,000	22,000																											
2022	11,000	0	11,000																											

【1】 Financial Results for the 2Q FY2022

【2】 FY2022 Full-Year Forecast

External Environment and Our Actions

Although there are significant changes in the external environment and various risks, we have taken appropriate measures to minimize the impact on our business performance.

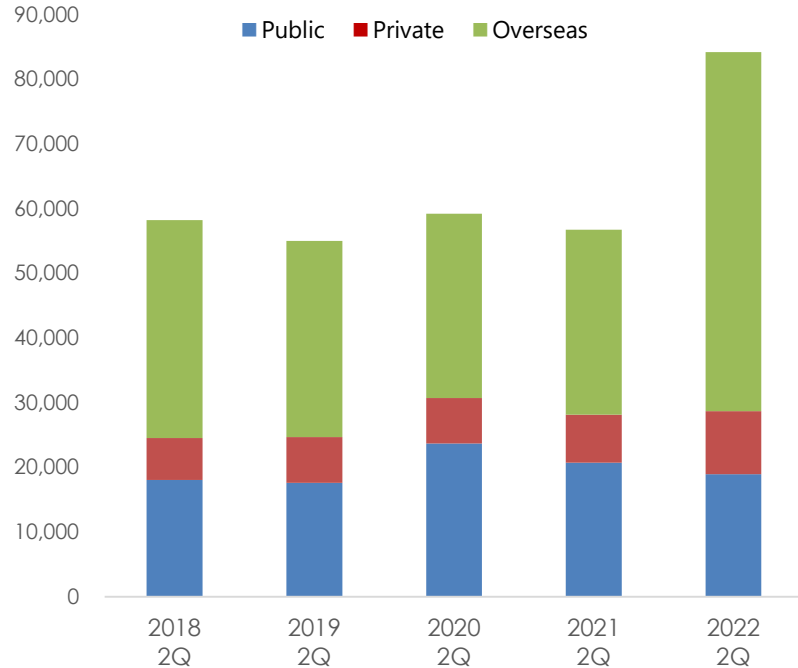
Changes in external environment	Current situations	Our actions
<ul style="list-style-type: none"> -Raw material prices hike -Logistics disruption 	<ul style="list-style-type: none"> • Costs remain high due to persistently high material prices and shortages of some parts. • Container shortages are gradually moderating. 	<ul style="list-style-type: none"> • Utilizing local procurement and production bases closer to end users • Negotiating with customers on prices and delivery time
Depreciation of the Japanese Yen	<ul style="list-style-type: none"> • The yen depreciation continues. • Exchange rate (1USD) ¥122.39 at the end of March 2022 → ¥144.81 at the end of September of 2022 (18.3% depreciation of the yen). 	<ul style="list-style-type: none"> • Continuing price revision efforts in a timely manner • Minimizing foreign exchange risks through forward FX contracts as well as taking advantage of the yen's depreciation.
Russia and Ukraine crisis	<ul style="list-style-type: none"> • Temporally return to thermal power generation due to electricity shortage caused by the energy(LNG) crisis. 	<ul style="list-style-type: none"> • Providing the customers with appropriate maintenance and energy efficiency proposals

Orders Backlog as of the end of the second quarter FY2022

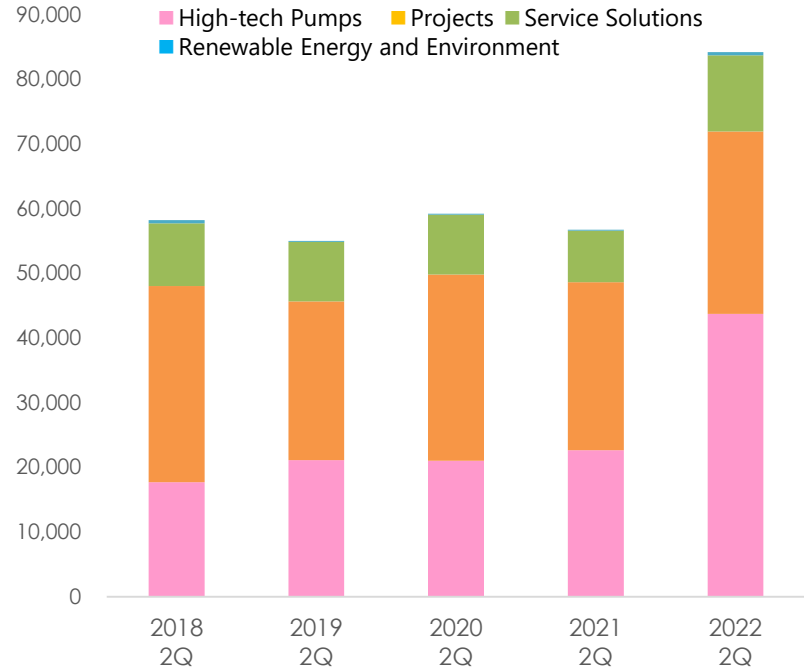
The order backlog as of the end of the second quarter was 84.2 billion yen driven by strong orders and the yen's depreciation.

Expect to fulfill the order backlog in the second half of the year and achieve more than the initially planned sales for the full year.

Millions of yen



Millions of yen



Forecast of the full-year results for FY2022

Revised assumed exchange rate(1USD) for the year from ¥125 to ¥140.

Revised full-year plan upward with anticipation of steady orders and sales in the second half of the year, as well as continued yen depreciation.

■ Consolidated

	Initial plan	Revised plan
Sales	62.0	65.0
Operating income (Operating profit margin)	5.0 (8.1%)	6.5 (10.0%)
Ordinary income	5.0 (8.1%)	6.5 (10.0%)
Net income	3.7 (6.0%)	4.8 (7.4%)
Assumed exchange rate (1USD)	¥125	¥140

Billions of yen

■ Non-consolidated

	Initial plan	Revised plan
Sales	51.0	52.0
Operating income (Operating profit margin)	3.5 (6.9%)	4.5 (8.7%)

■ Subsidiaries

	Initial plan	Revised plan
Sales	18.0	21.7
Operating income (Operating profit margin)	1.6 (8.9%)	2.1 (9.7%)

*From the first quarter of FY2022, the results of subsidiaries are disclosed before consolidation adjustments, and the above initial plan is also before consolidation adjustments. Therefore, the figures are different from the planned figures announced at the time of the full-year results for FY2021.

Appendix

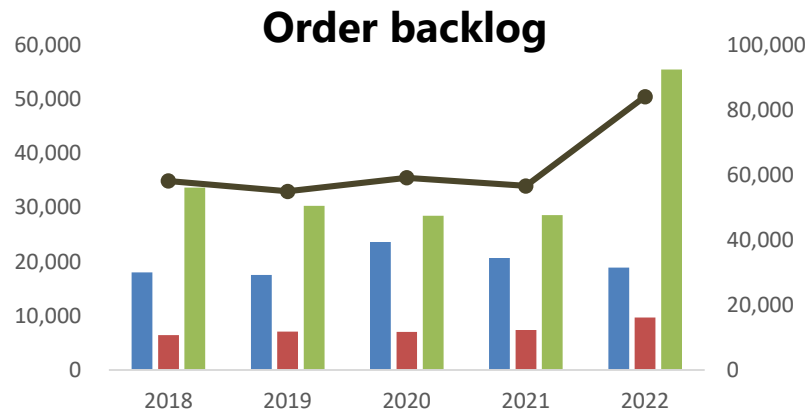
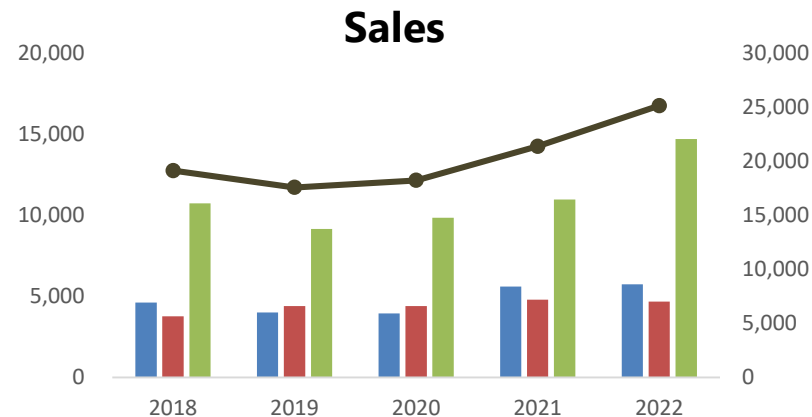
Orders Received, Sales and Orders Backlog by Segment

Millions of yen

	2Q FY2021			2Q FY2022		
	Orders received	Sales	Orders backlog	Orders received	Sales	Orders backlog
Public-sector	11,134	5,602	20,701	9,426	5,742	18,956
YOY	-11.9%	—	—	-15.3%	2.5%	-8.4%
Private-sector	5,503	4,808	7,419	6,211	4,687	9,721
YOY	8.8%	—	—	12.9 %	-2.5%	31.0%
Overseas	13,227	10,972	28,630	29,794	14,700	55,540
YOY	44.9%	—	—	125.2%	34.0%	94.0%
Total	29,866	21,383	56,752	45,432	25,130	84,219
YOY	11.3%	—	—	52.1%	17.5%	48.4%

:The percentage change from the previous year is not shown for FY2021 because this is the first year in which the "Accounting Standard for Revenue Recognition(ASR)" was applied.

Orders Received, Sales and Orders Backlog by Segment



Left
■ Public ■ Private ■ Overseas

Total
● Total

Millions of yen

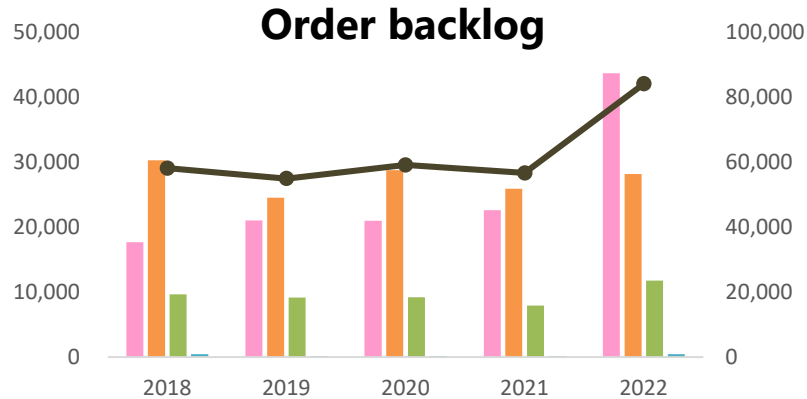
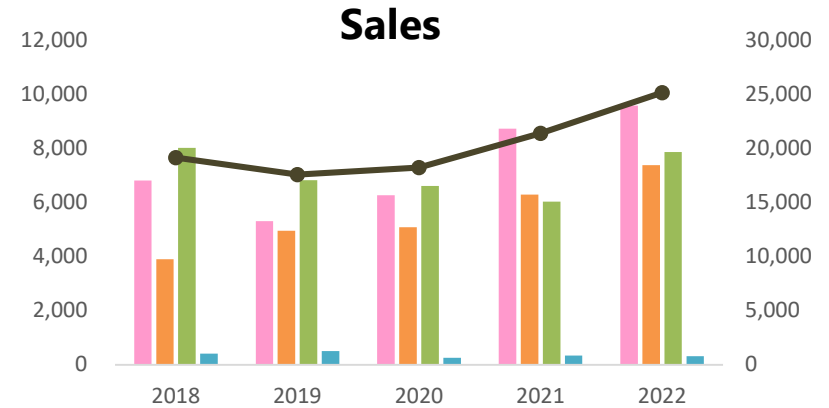
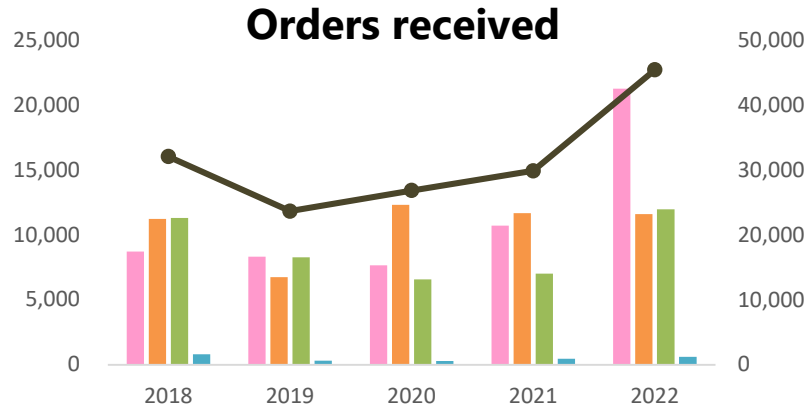
Orders Received, Sales and Orders Backlog by Business Domain

Millions of yen

		2Q FY2020			2Q FY2021		
		Orders received	Sales	Orders backlog	Orders received	Sales	Orders backlog
High-tech pump		10,702	8,726	22,637	21,253	9,573	43,757
	YOY	39.8%	—	—	98.6%	9.7%	93.3%
Project		11,673	6,290	25,974	11,601	7,383	28,203
	YOY	-5.1%	—	—	▲0.6%	17.4%	8.6%
Service solutions		7,021	6,030	7,977	11,971	7,866	11,784
	YOY	6.7%	—	—	70.5%	30.4%	47.7%
Renewable Energy and Environment		470	338	164	607	309	475
	YOY	59.9%	—	—	29.1%	▲8.6%	189.6%
Total		29,866	21,383	56,752	45,432	25,130	84,219
	YOY	11.3%	—	—	52.1%	17.5%	48.4%

:The percentage change from the previous year is not shown for FY2021 because this is the first year in which the "Accounting Standard for Revenue Recognition(ASR)" was applied.

Orders Received, Sales and Orders Backlog by Business Domain



Left

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

Right

- Total

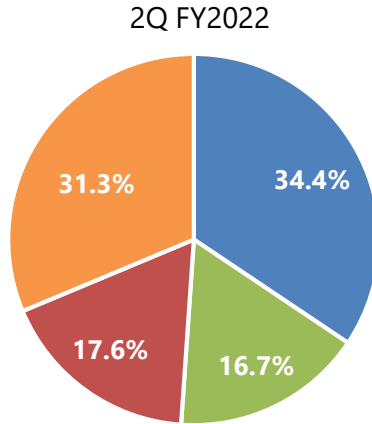
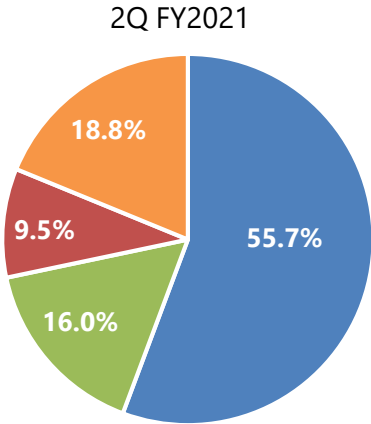
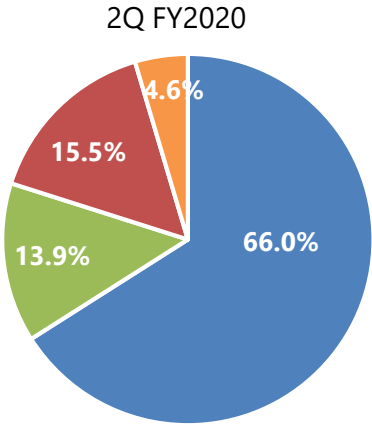
Millions of yen

Orders Received Breakdown by Region

Billions of yen

	Japan	Overseas	Breakdown			Total
			Asia	Middle East	Others	
2Q 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
2Q FY2022	15.6 (34.4%)	29.8 (65.6%)	7.6 (16.7%)	8.0 (17.6%)	14.2 (31.3%)	45.4

- Japan
- Asia
- Middle East
- Others

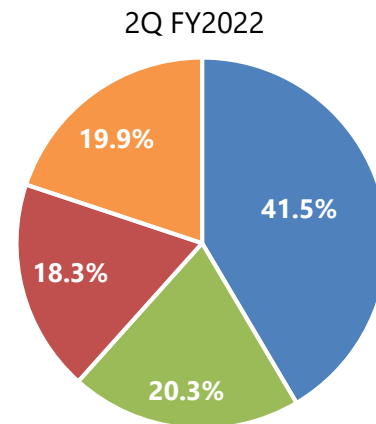
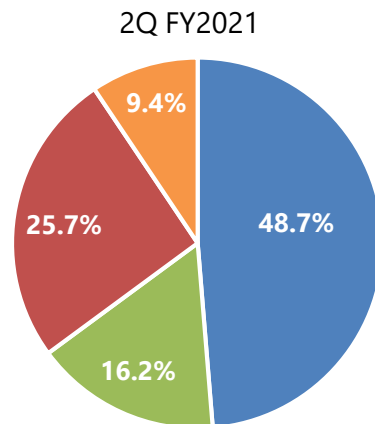
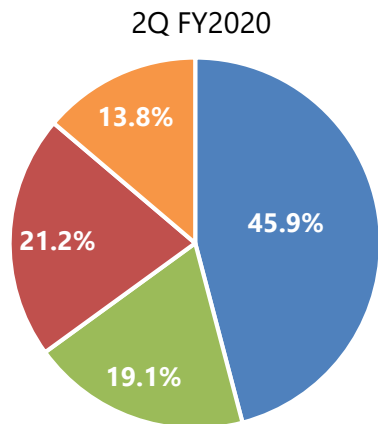


Sales Breakdown by Region

Billions of yen

	Japan	Overseas	Breakdown			Total
			Asia	Middle East	Others	
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
2Q FY2022	10.4 (41.5%)	14.7 (58.5%)	5.1 (20.3%)	4.6 (18.3%)	5.0 (19.9%)	25.1

- 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】

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