

Consolidated Financial Results for the FY2017

(April 1st 2017 ~ March 31st 2018)

< May 10 2018 >

TORISHIMA PUMP MFG.CO.,LTD.

Securities Code : 6363

www.torishima.co.jp/en

FY2017 Financial Results Outline



		Billions of yen	YOY	vs. Plan
● Orders Received	...	42.2	-1.3	-1.8
● Sales	...	45.4	+1.0	+0.9
● Operating Income	...	1.3	-0.2	-0.7
● Ordinary Income	...	1.5	-0.3	-1.0
● Net Income	...	0.9	-0.6	-0.9

FY2017 Consolidated Financial Results



Billions of yen

	FY2016	FY2017	YOY		Initial plan	Differences		Revised Plan
			Amount	%		Amount	%	
Orders Received	43.5	42.2	-1.3	-3.0%	44.0	-1.8	-4.1%	
Sales	44.4	45.4	+1.0	+2.3%	44.5	+-.9	+2.0%	45.0
Gross Operating Income (Gross profit margin)	10.5 (23.7%)	11.0 (24.2%)	+0.5 (0.5pt)	+4.8% —	—	—	—	—
SG&A expense	9.1	9.7	+0.6	+6.6%	—	—	—	—
Operating income (Operating profit margin)	1.5 (3.3%)	1.3 (2.9%)	-0.2 (-0.4pt)	-13.3% —	2.0	-0.7	-35.0%	1.3
Non-operating Profit or loss	0.4	0.3	-0.1	—	—	—	—	—
Ordinary income	1.9	1.5	-0.3	-15.8%	2.5	-1.0	-40.0%	1.5
Extraordinary profit or loss	0.1	-0.1	-0.2	—	—	—	—	—
Net income	1.5	0.9	-0.6	-40.0%	1.8	-0.9	-50.0%	0.8

*Foreign exchange rate
(1USD)

¥112.19 at 31st
Mar 2017

¥106.24 at 31st
Mar 2018

*1Announced on 11th May 2017

*2Announced on 18th April 2018

FY2016 Financial Results

(Non-consolidated / Subsidiaries)



■ Non-consolidated

	FY2016	FY2017	Increase-Decrease	
			Amount	%
Sales	36.1	37.0	+0.9	+2.5%
Gross Operating Income (Gross profit margin)	6.7 (18.5%)	7.0 (18.9%)	+0.3 (+0.4pt)	+4.5% —
SG&A expense	6.4	6.5	+0.1	+1.6%
Operating income (Operating profit margin)	0.3 (0.8%)	0.4 (1.2%)	+0.1 (+0.4pt)	+33.3% —

■ Subsidiaries

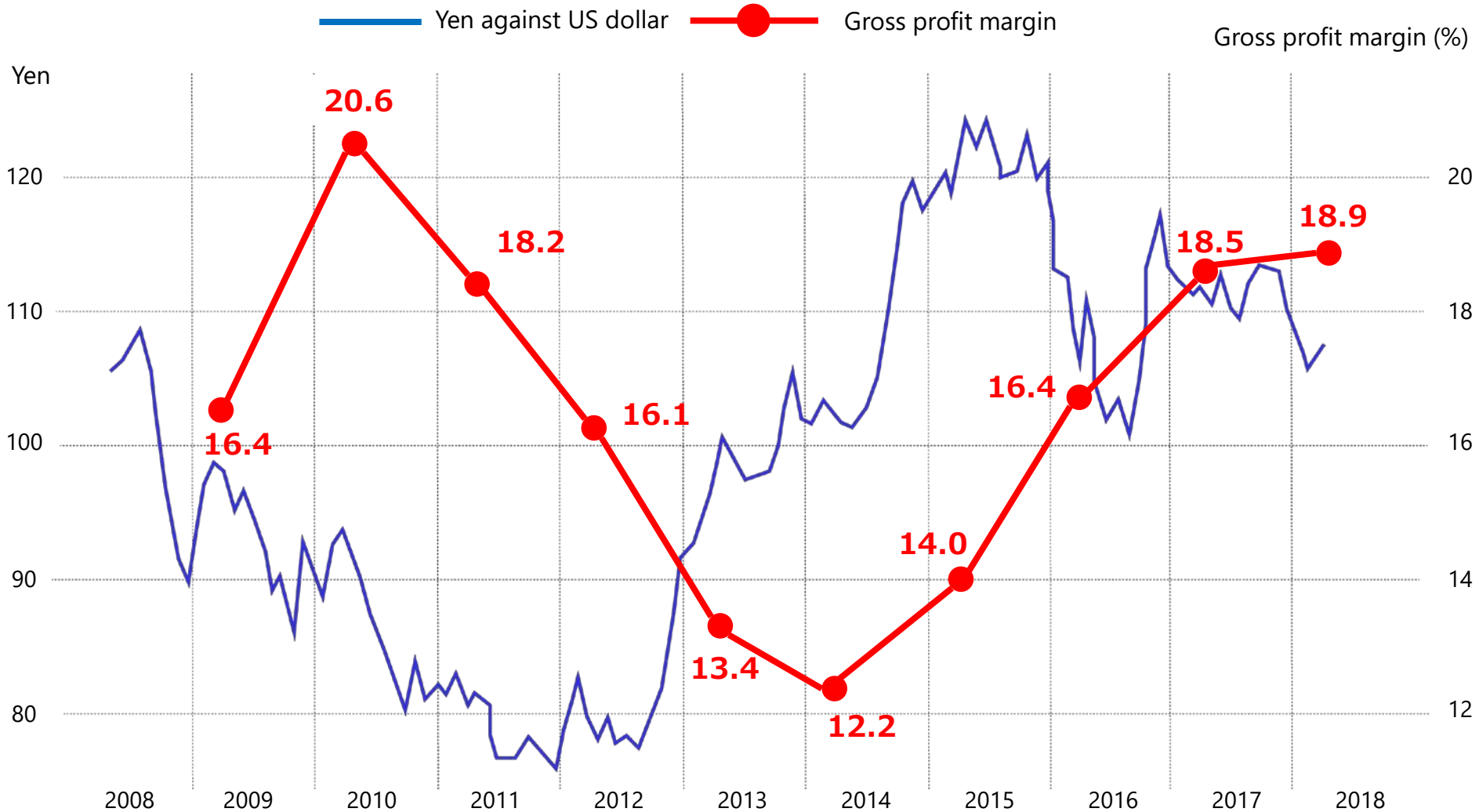
Billions of yen

	FY2016	FY2017	Increase-Decrease	
			Amount	%
Sales	8.3	8.4	+0.1	+1.2%
Gross Operating Income (Gross profit margin)	3.8 (45.8%)	4.0 (47.4%)	+0.2 (+1.6pt)	+5.3% —
SG&A expense	2.7	3.2	+0.5	+18.5%
Operating income (Operating profit margin)	1.2 (14.5%)	0.9 (10.7%)	-0.3 (-3.8pt)	▲25.0% —

- Although profit margin improved, operating income increased only by 0.1 billion yen. This is mainly because of provision for construction losses of 700 million yen and the provision for doubtful accounts of 400 million yen.

- Sales roughly as planned, gross profit margin increased.
- With the expansion of subsidiaries, mainly after-sales business, SG & A expenses such as relocation expenses of Singapore center, newly launched service centers in Thailand, Taiwan, Malaysia and the Philippines, increased, resulting in decrease in operating income.

Improvement of gross profit margin (non-consolidated)



2017 results overview

Orders received

Domestic public sector -> Below planned.

Domestic private sector and overseas->Almost as planned.

Sales

As planned.

Profit

Below planned despite of increasing profit margin,
mainly due to;

- Provision for loss on construction contract and provision for doubtful accounts on prolonged projects in the Middle East.
- Increased SG&A resulting from business expansion, mainly after-sales services, of overseas subsidiaries.

Revision of 2019 Three years Management Plan

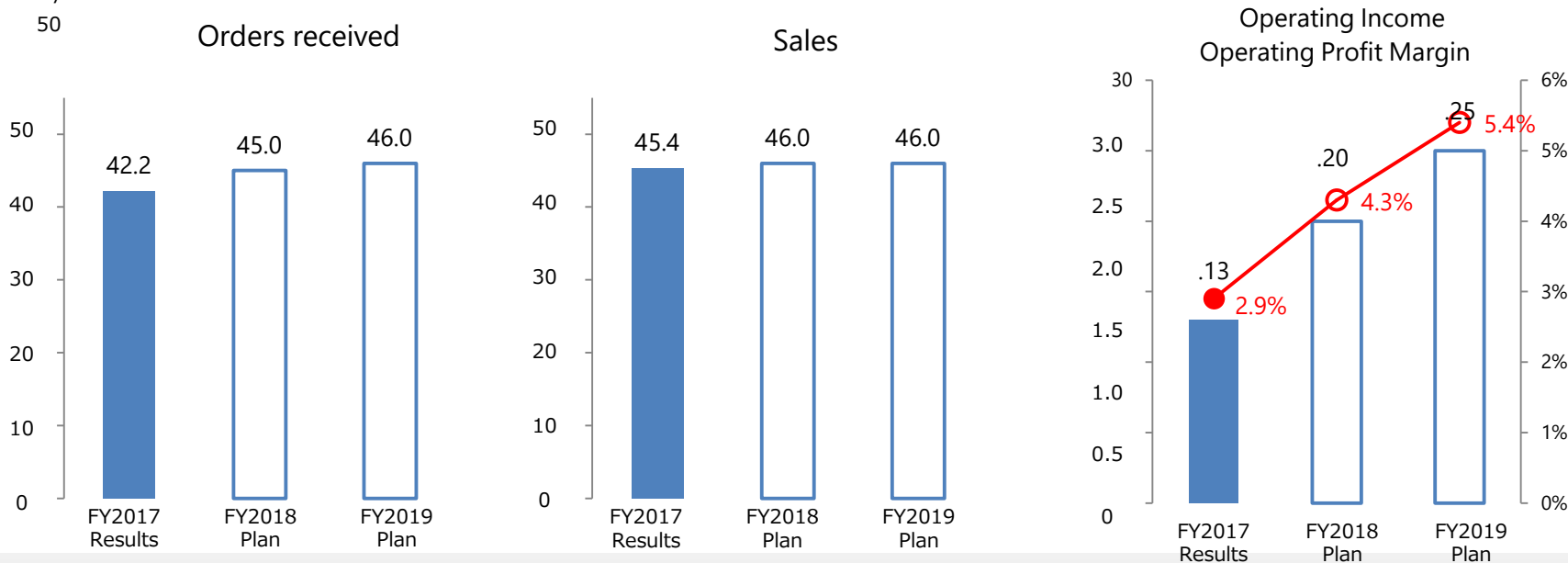


Billions of yen

	FY2017		FY2018		FY2019	
	Initial plan*	Results	Initial plan*	Revised plan	Initial plan*	Revised plan
Orders received	44.0	42.2	46.0	45.0	50.0	46.0
Sales	44.5	45.4	45.5	46.0	46.5	46.0
Operating Income (Operating profit margin)	2.0 (4.5%)	1.3 (2.9%)	2.5 (5.5%)	2.0 (4.3%)	3.0 (6.5%)	2.5 (5.4%)
Ordinary Income	2.5	1.5	3.0	2.0	3.5	2.5
Net Income	1.8	0.9	2.0	1.4	2.5	1.8

* Announced on 11th May 2017

Billions of yen



FY2017 Consolidated Outlook

Billions of yen

	FY2017 Results	FY2018 Plan	Change
Orders Received	42.2	45.0	+1.8
Sales	45.4	46.0	+0.6
Gross Operating Income (Gross profit margin)	11.0 (24.2%)	12.1 (26.3%)	+1.1 (+2.1pt)
SG&A expense	9.7	10.1	+0.4
Operating Income (Operating profit margin)	1.3 (2.9%)	2.0 (4.4%)	+0.7 (+1.5pt)
Ordinary Income	1.6	2.0	+0.4
Net Income	0.9	1.4	+0.5
Capital investment	0.9	1.7	+0.8 billion
Depreciation	1.6	1.7	+50 million
R&D Expenses	0.4	0.5	+30 million

■ Non-consolidated

	FY2017 Results	FY2018 Outlook	Change
売上高	37.0	37.0	±0
売上総利益 (営業総利益率)	7.0 (18.9%)	7.7 (20.8%)	+0.7 (+1.9pt)
販管費	6.5	6.9	+0.4
営業利益 (営業利益率)	0.4 (1.2%)	0.8 (2.2%)	+0.4 (+1.0pt)

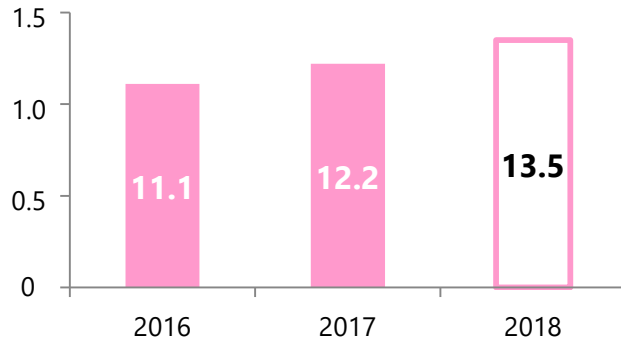
■ Subsidiaries

Billions of yen

	FY2017 Results	FY2018 Outlook	Change
	8.4	9.0	+0.6
	4.0 (47.4%)	4.4 (48.9%)	+0.4 (+1.5pt)
	3.2	3.2	±0
	0.8 (9.8%)	1.1 (12.2%)	+0.3 (+2.4pt)

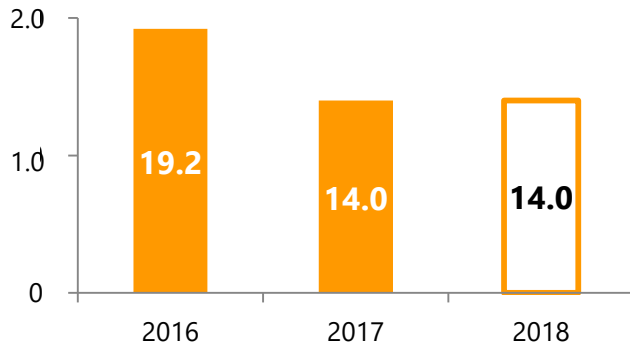
* The figure of subsidiaries (③) = the figure of consolidated results (①) – the figure of non-consolidated results (②)

Billions of yen



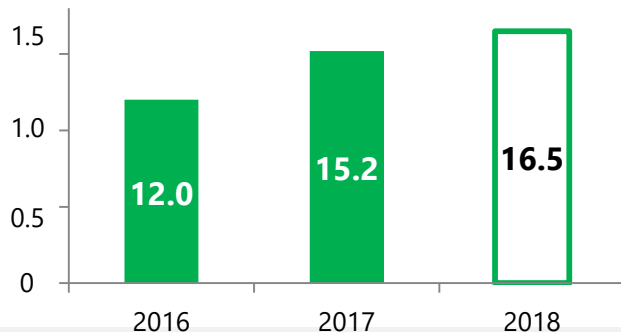
● High tech Pumps

- Newly construction plans of thermal power plants are likely to decrease both in domestic and overseas.
- Cover the decline in the thermal power market with other growing markets such as water and wastewater, seawater desalination, biomass, geothermal and next-generation high-efficiency thermal power.
- Strengthen the "Eco-Pump" sales, which can be widely delivered and to earn a relatively high margin.



● Projects

- Updating demand for water infrastructure remains in the domestic public sector.
- Strengthen proposal to customers with new technology and new products.
- Considering the unstable situations in the Middle East, continuing to cautiously cope with projects in the area.



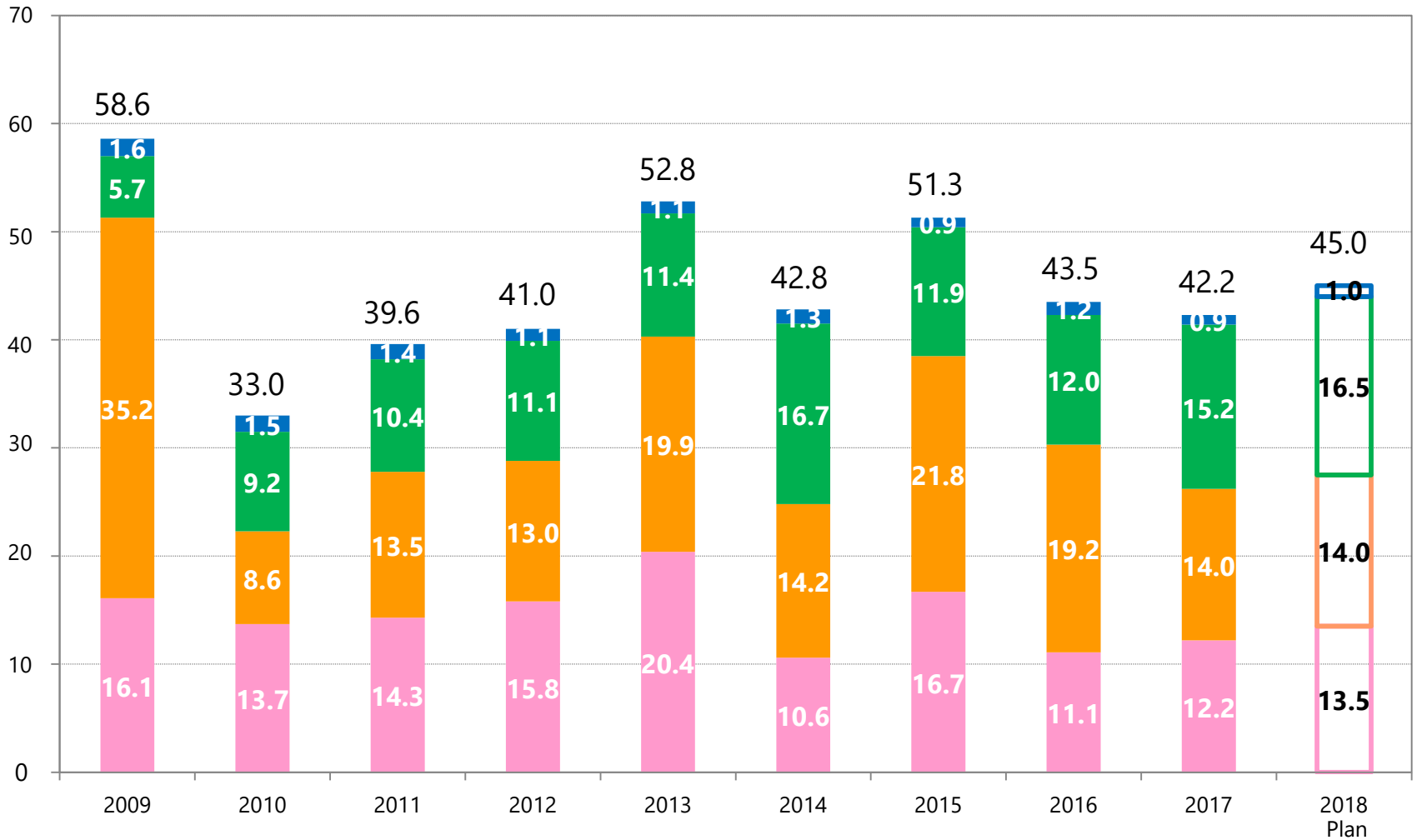
● Service Solutions

- Increase overhaul service for boiler feed pumps.
- Strengthen proposal to customers by supervisors.
- Launch a new type of product with using IoT
- Expand and strengthen service centers overseas.
- Increase name recognition of TSS (Torishima Service Solutions) brand

Orders Received Outlook by Segment

Billions of yen

■ High tech pumps
 ■ Projects
 ■ Service Solutions
 ■ Renewable Energy & Environment



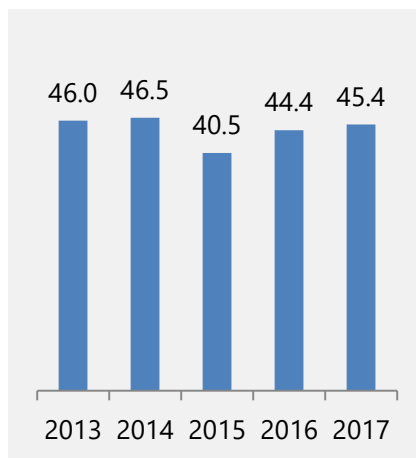
Appendix

Consolidated financial results (5 years)

Orders Received



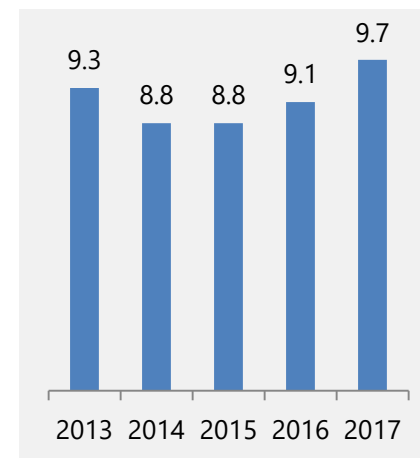
Sales



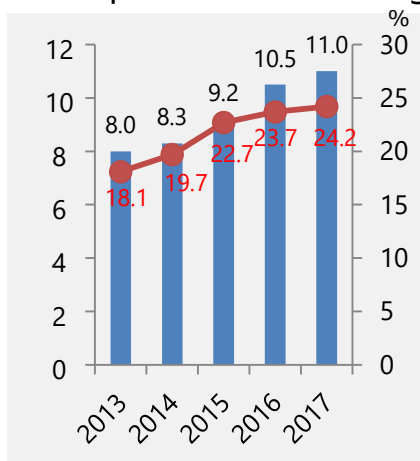
Orders Backlog



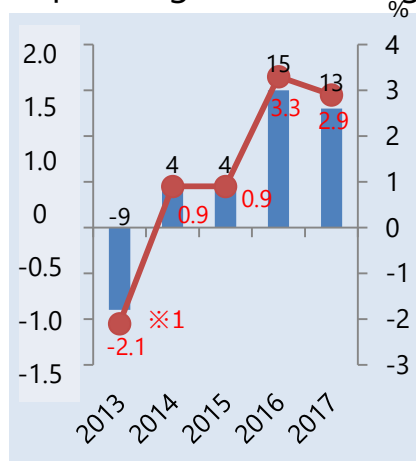
SG&A



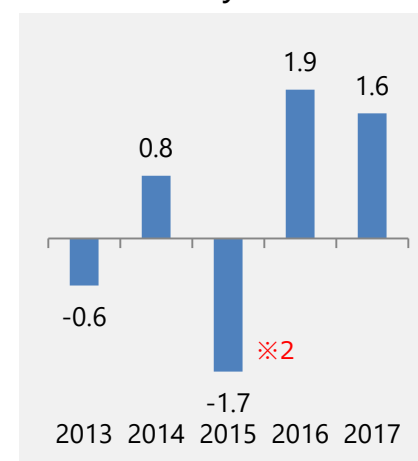
Gross profit income/margin



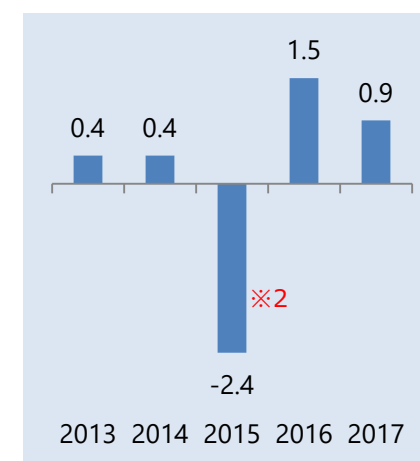
Operating income/margin



Ordinary income



Net income



※1 Operating loss due to an increase in SG & A expenses such as system introduction expenses, depreciation and amortization expenses, etc., and a large number of sales of orders at the time of super high yen appreciation (low profit margin).

※2 Significant losses due to one-time factors, such as exchange losses, investment losses by the equity method, and reversal of deferred tax assets.

Orders received, Sales and Orders backlog by segment

Millions of yen

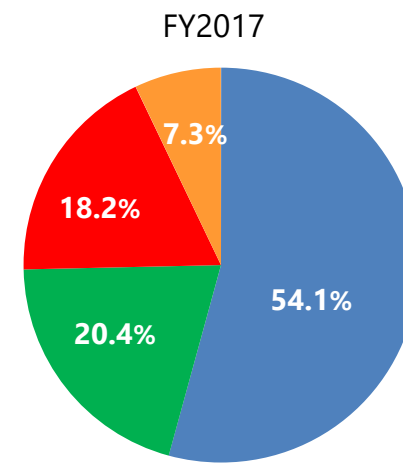
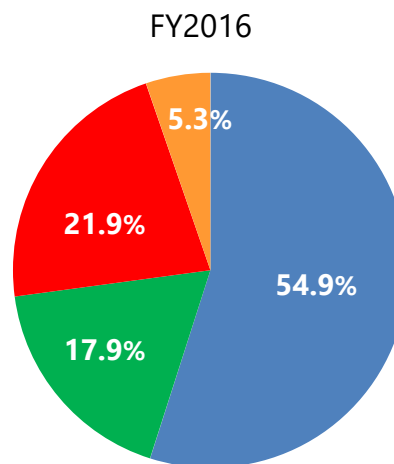
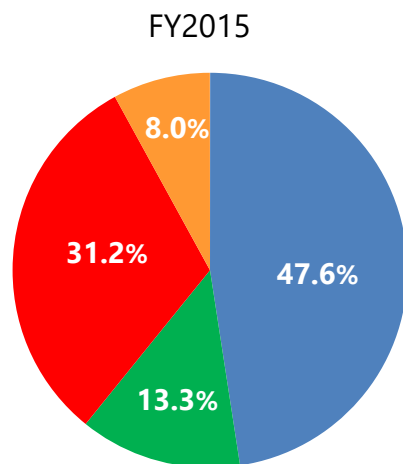
	FY2016			FY2017		
	Orders Received	Sales	Order Backlog	Orders Received	Sales	Order Backlog
Public sector	15,913	13,832	14,788	13,914	16,621	12,082
YOY rate	-0.6%	+38.6%	+16.4%	-12.6%	+20.2%	-18.3%
Private sector	7,973	8,320	5,251	8,914	8,436	5,729
YOY rate	-5.0%	+17.5%	-6.2%	+11.8%	+1.4%	+9.1%
Overseas	19,595	22,261	28,436	19,403	20,322	27,516
YOY rate	-27.1%	-4.9%	-8.6%	-1.0%	-8.7%	-3.2%
Total	43,483	44,414	48,476	42,233	45,381	45,328
YOY rate	-15.2%	+9.7%	-1.9%	-2.9%	+2.2%	-6.5%

Orders Received breakdown by region

Billions of yen

	Japan	Overseas	Breakdown			Total
			Asia	Middle East	Other	
FY2015	24.4 (47.6%)	26.9 (52.4%)	6.8 (13.3%)	16.0 (31.2%)	4.1 (7.9%)	51.3
FY2016	23.9 (54.9%)	19.6 (45.1%)	7.8 (17.9%)	9.5 (21.9%)	2.3 (5.3%)	43.5
FY2017	22.9 (54.1%)	19.4 (45.9%)	8.7 (20.4%)	7.7 (18.2%)	3.0 (7.3%)	42.2

■ Japan ■ Asia ■ Middle East ■ Other

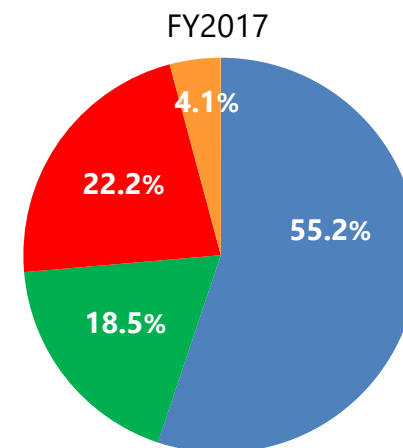
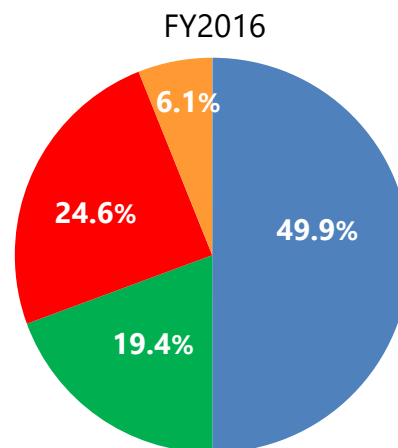
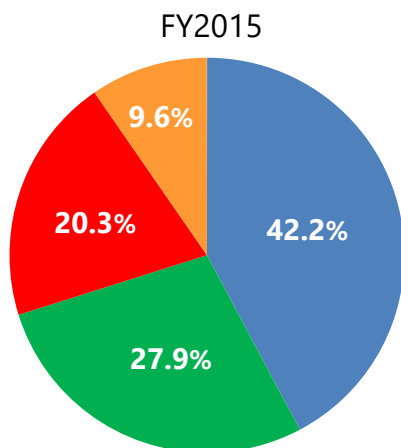


Sales breakdown by region

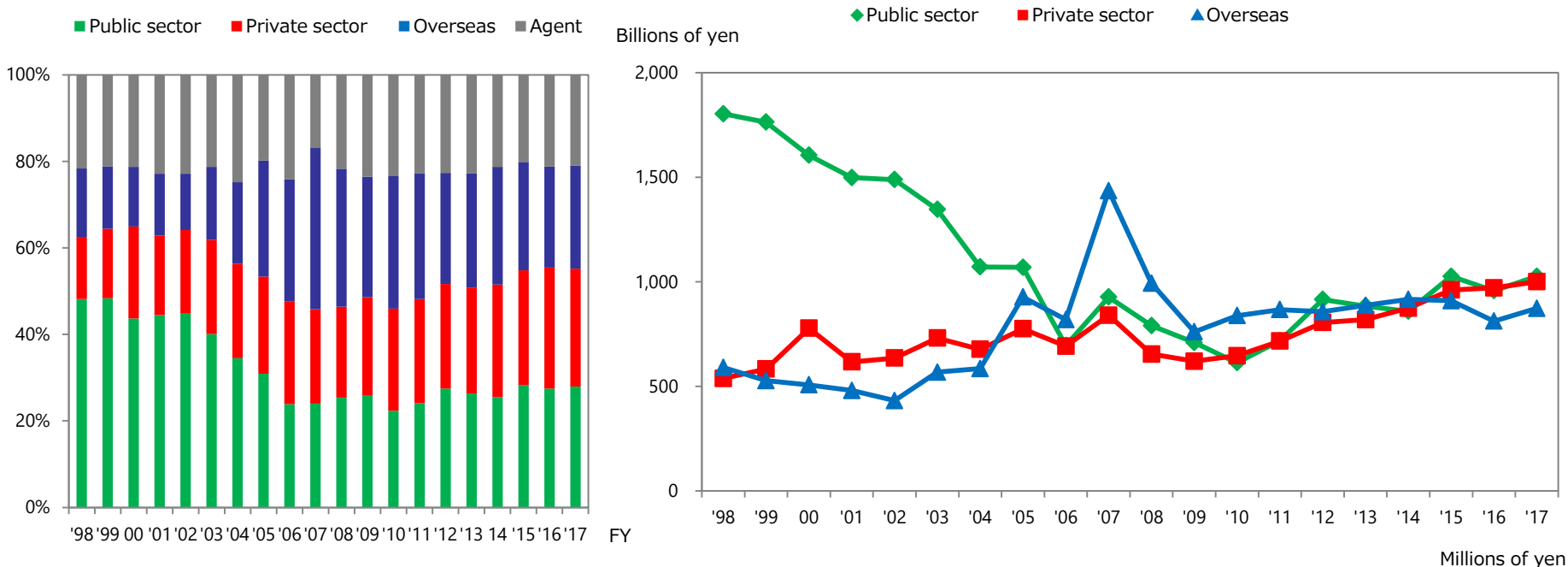
Billions of yen

	Japan	Overseas	Breakdown			Total
			Asia	Middle East	Other	
FY2015	17.1 (42.2%)	23.4 (57.8%)	11.3 (27.9%)	8.2 (20.3%)	3.9 (9.6%)	40.5
FY2016	22.2 (49.9%)	22.3 (50.1%)	8.6 (19.4%)	10.9 (24.6%)	2.7 (6.1%)	44.4
FY2017	25.1 (55.2%)	20.3 (44.8%)	8.4 (18.5%)	10.1 (22.2%)	1.9 (4.1%)	45.4

■ Japan ■ Asia ■ Middle East ■ Other



日本のポンプ市場の受注推移



		'98	'99	00	'01	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	14	'15	'16	'17	YOY
Public	Amount	180,337	176,337	160,550	149,806	148,831	134,685	107,124	106,948	69,504	92,722	79,096	70,999	61,305	71,888	91,545	88,445	85,859	102,582	95,735	102,616	107.2%
	Compo-sition%	48.2	48.4	43.7	44.5	44.9	40.1	34.5	30.9	23.9	24.0	25.4	26.0	22.4	24.1	27.5	26.4	25.5	28.3	27.5	28.0	
Private	Amount	53,878	58,396	77,895	61,733	63,572	73,130	67,732	77,537	69,286	84,067	65,471	62,051	64,668	71,698	80,560	81,964	87,442	96,140	97,087	100,023	103.0%
	Compo-sition%	14.4	16.0	21.2	18.3	19.2	21.8	21.8	22.4	23.8	21.8	21.0	22.7	23.6	24.1	24.2	24.4	26.0	26.5	27.9	27.3	
Overseas	Amount	59,055	52,766	50,737	48,032	43,247	56,846	58,578	92,770	81,919	143,535	99,326	76,108	83,883	86,763	85,712	88,787	91,612	90,925	81,236	87,290	107.5%
	Compo-sition%	15.8	14.5	13.8	14.3	13.1	16.9	18.9	26.8	28.1	37.2	31.9	27.8	30.6	29.1	25.7	26.5	27.2	25.1	23.4	23.8	
Agent	Amount	81,143	76,961	78,116	76,978	75,608	71,500	77,030	68,459	70,310	65,315	67,590	64,338	64,080	67,712	75,455	76,231	71,510	72,963	73,839	77,073	104.4%
	Compo-sition%	21.7	21.1	21.3	22.9	22.8	21.3	24.8	19.8	24.2	16.9	21.7	23.5	23.4	22.7	22.6	22.7	21.3	20.1	21.2	21.0	
Amount		374,413	364,460	367,298	336,549	331,258	336,161	310,464	345,714	291,019	385,639	311,483	273,496	273,936	298,061	333,281	335,427	336,423	362,610	347,897	367,002	105.5%

Source: The Japan Society of Industrial Machinery Manufacturers

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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