

Consolidated Financial Results for the 2nd Quarter of FY2023

(April 1st 2023 ~ September 30th 2023)

10th November, 2023

TORISHIMA PUMP MFG.CO.,LTD.

【1】 Financial Results for the 2Q FY2023

【2】 FY2023 Full-Year Forecast

【3】 Torishima Growth Strategy – toward the Next Stage-

2Q FY2023 Highlights

- ✓ **Orders received** remain at the **same level** as the **Q2 FY2022** driven by continued strong order activities from overseas.
- ✓ **Order backlog** is the largest ever at **¥99.4 billion**.
- ✓ **Sales increased significantly** due to large overseas projects.
- ✓ Despite a large increase in SG&A expenses due to higher personnel costs and other factors, **incomes increased significantly** due to the higher sales and stable profit margins.
- ✓ **Steady progress** toward the full-year plan.

2Q FY2023 Financial Results Outline

		Billions of yen	YOY billions of yen
● Orders Received	...	45.0	- 0.4
● Sales	...	33.9	+8.8
● Operating Income	...	1.9	+0.9
● Ordinary Income	...	1.9	+0.7
● Net Income	...	1.3	+0.5

2Q FY2023 Consolidated Financial Results

Orders Received: 10.1% increase in public-sector, 10.3% decrease in private-sector, overseas orders remained strong despite a slight decrease by 2.6%, resulting in an overall decrease of 0.9% to 45.0 billion yen.

Sales: 14.0% decrease in public-sector, 29.7% increase in private-sector, 55.5% increase in overseas, resulting in an overall increase of 34.8% to 33.9 billion yen.

Profits: Despite an increase in SG&A expenses, incomes rose sharply due to the higher sales and the stable profit margins.

Billions of yen

	2Q FY2022	2Q FY2023	YOY		FY2023 plan	Progress
			Amount	%		
Orders Received	45.4	45.0	-0.4	-0.9%	70.0	64.3%
Sales	25.1	33.9	+8.8	+35.1%	75.0	45.2%
Gross Operating Income (Gross profit margin)	7.1 (28.3 %)	9.6 (28.3 %)	+2.5 (±0pt)	+35.2%		
SG&A expense	6.1	7.7	+1.6	+26.2%		
Operating income (Operating profit margin)	1.0 (4.0%)	1.9 (5.6%)	+0.9 (+1.6pt)	+90.0%	6.8 (9.1%)	27.9%
Non-operating Profit or loss	0.2	+0.0	-0.2	-100.0%	—	
Ordinary income	1.2	1.9	+0.7	+58.3%	6.3	30.2%
Extraordinary profit or loss	-0.1	+0.2	+0.3	—	—	
Net income	0.8	1.3	+0.5	+62.5%	46	28.3%

Foreign exchange rate (1USD)

¥144.81
30/09/2022

¥149.58
30/09/2023

Assumed rate¥135

2Q FY2023 Financial Results (Non-consolidated / Subsidiaries)

■ Non-consolidated

Billions of yen

	2Q FY2022	2Q FY2023	YOY	
			Amount	%
Sales	19.1	26.3	+7.2	+37.7%
Gross Operating Income (Gross profit margin)	4.1 (21.5%)	6.4 (24.3%)	+2.3 (+2.8pt)	+56.1%
SG&A expense	3.7	4.8	+1.1	+29.7%
Operating income (Operating profit margin)	0.5 (2.6%)	1.6 (6.1%)	+1.1 (+3.5pt)	+220.0%

- ✓ Sales increased significantly driven by large sales in overseas as well as private sector , despite a decline in public sector.
- ✓ Despite an increase in SG&A expenses including personnel costs, operating income rose significantly due to higher sales and stable profit margin.

■ Subsidiaries

Billions of yen

	2Q FY2022	2Q FY2023	YOY	
			Amount	%
	9.6	11.7	+2.1	+21.9%
	3.2 (33.3%)	3.9 (33.3%)	+0.7 (±0pt)	+21.9%
	2.6	3.3	+0.7	+26.9%
	0.5 (5.2%)	0.6 (5.1%)	+0.1 (- 0.1pt)	+20.0%

- ✓ Overall sales increased by 2.1 billion yen driven by strong sales at large subsidiaries such as TSS (UAE), TSSE (U.K.), and Tianjin (China).
- ✓ On the other hand, operating income increased only 0.1 billion yen due to a large increase in SG&A expenses, including labor costs (including the effect of foreign exchange rates).

【1】 Financial Results for the 2Q FY2023

【2】 **FY2023 Full-Year Forecast**

【3】 Torishima Growth Strategy – toward the Next Stage-

Forecast of the Full-year Results for FY2023

No change for full-year plan.

Both **sales and incomes** are **expected to reach record highs**.

Billions of yen

	FY2022 Results	FY2023 1H Results	FY2023 Full Year Forecast	YOY
Orders received	89.0	45.0	70.0	-19.0
Sales	64.7	33.9	75.0	+10.3
Operating income (Operating profit margin)	5.9 (9.1%)	1.9 (5.6%)	6.8 (9.1%)	+0.9
Ordinary income	5.7	1.9	6.3	+0.6
Net income	4.4	1.3	4.6	+0.2

Foreign exchange rate (1USD)

31th Mar.2023:1
\$ =133.53

Assumed rate 1 \$:¥135, 1€:¥145

■ Non-consolidated

	FY2022 Results	FY2023 1H Results	FY2023 Full Year Forecast	YOY
Sales	51.1	26.3	62.0	+10.9
Operating income (Operating profit margin)	4.0 (7.8%)	1.6 (6.1%)	5.0 (8.1%)	+1.0 (+0.3pt)

■ Subsidiaries

	FY2022 Results	FY2023 1H Results	FY2023 Full Year Forecast	YOY
Sales	21.0	11.7	21.0	±0
Operating income (Operating profit margin)	1.6 (7.6%)	0.6 (5.1%)	1.9 (9.0 %)	+0.3 (+1.4pt)

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

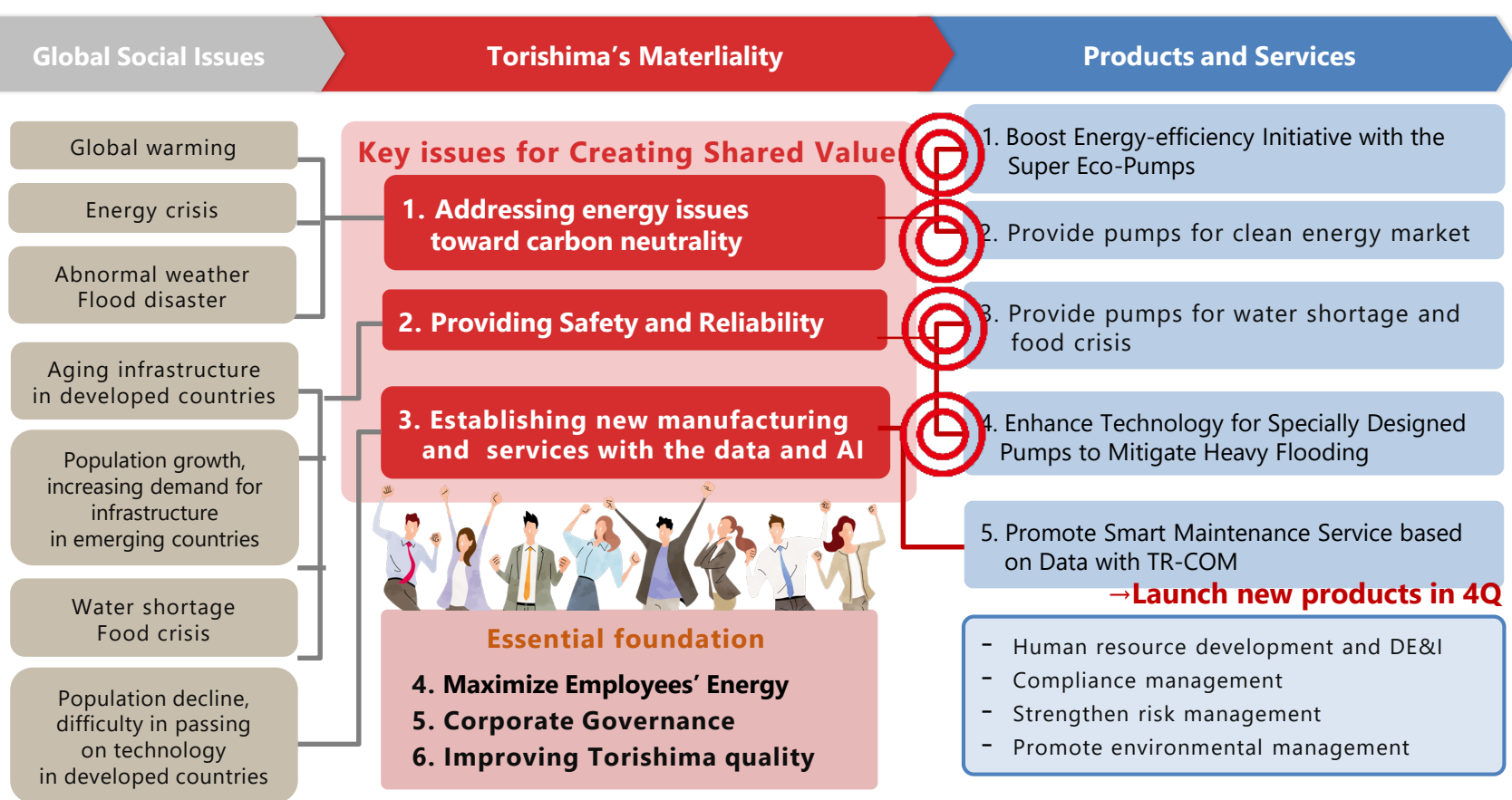
【1】 Financial Results for the 2Q FY2023

【2】 FY2023 Full-Year Forecast

【3】 **Torishima Growth Strategy – toward the Next Stage-**

Torishima's Materiality

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

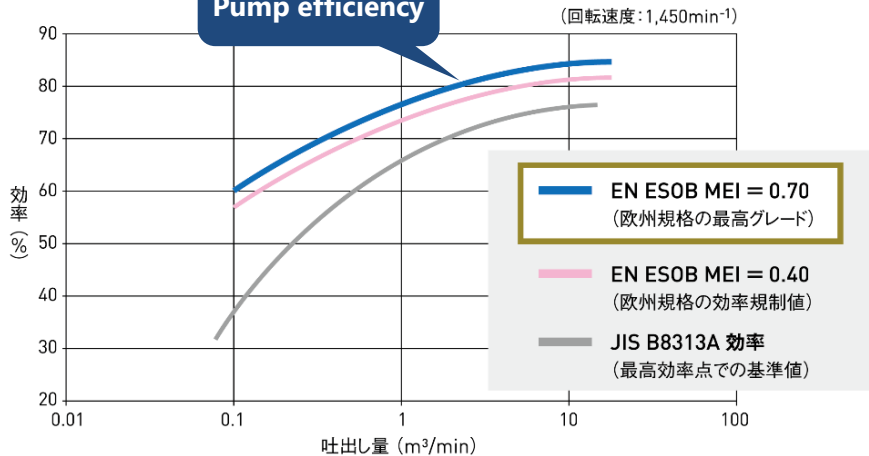


To be Indispensable to Society

Start to sales activities for the Super Eco-Pump

Achieved World's highest pump efficiency $MEI \geq 0.70$

SEP
Pump efficiency

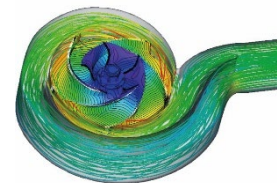
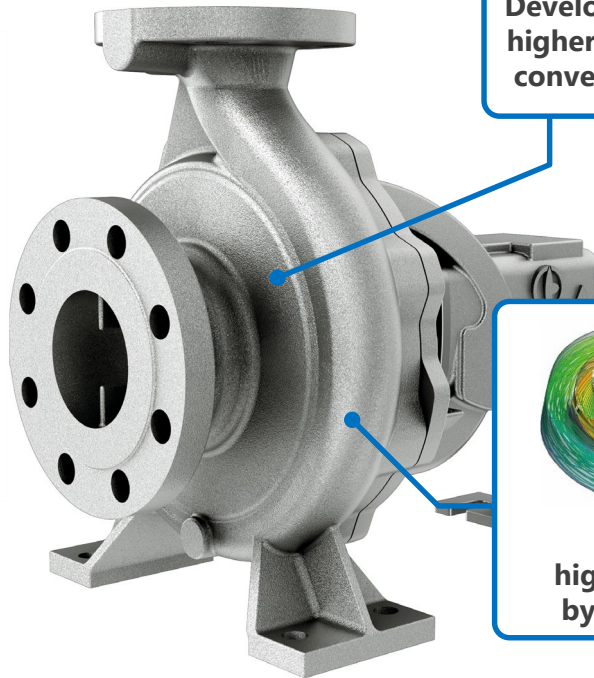


※MEI

Abbreviation for Minimum Efficiency Index, the lowest efficiency index in Europe. The higher the number, the higher the efficiency value.



Develop impeller with
higher efficiency than
conventional models

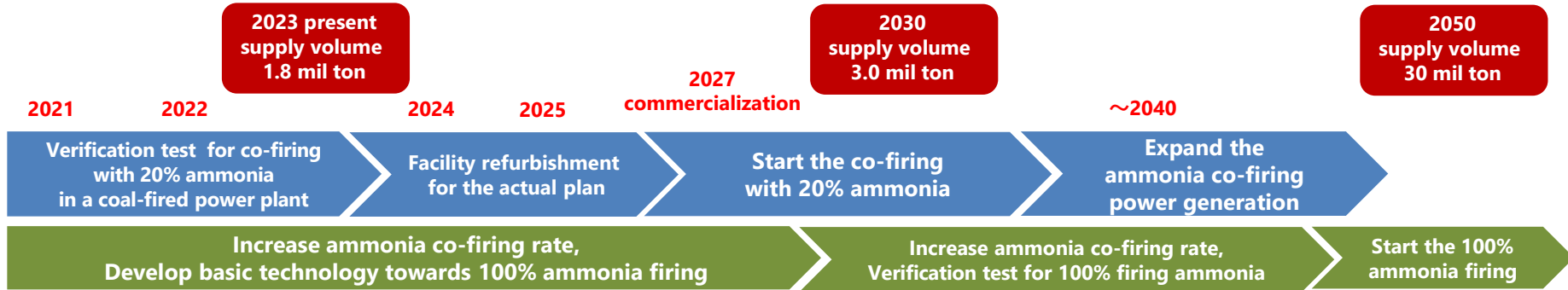


Achieve
higher efficiency
by smooth flow

Oct.2023

Development and manufacture of fuel ammonia pumps

Steady progress towards commercialization in 2027



Jul. 2023

Delivered pumps for
verification test of 20% ammonia co-firing

In response to the demand for larger sized fuel ammonia pumps, **Torishima**, with 100 years of experience in power generation pumps, and **HERMETIC**, the world's leading manufacturer of canned motor pumps, have joined forces to meet this market need.



Joint seminars held in Tokyo and Osaka on 24th and 26th Oct. More than 200 people attended, indicating a high level of interest.



Outline of HERMETIC

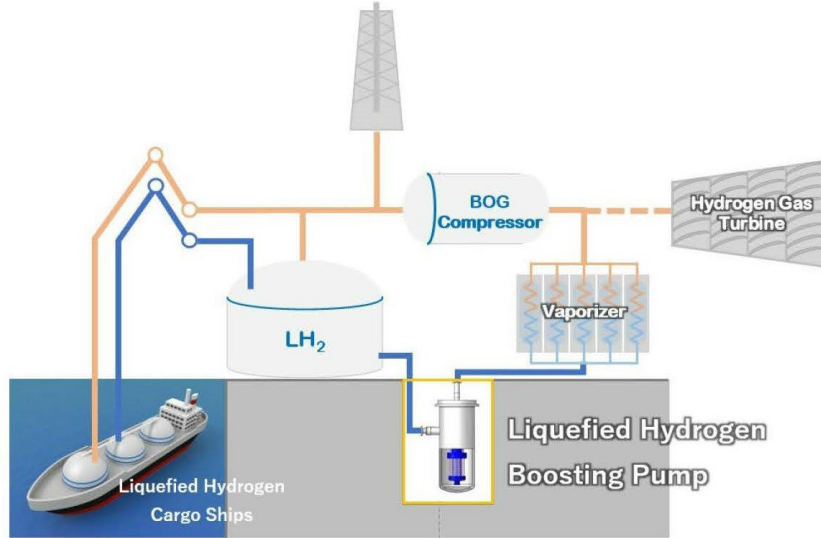
- HERMETIC-Pumpen GmbH
- Founded 1866
- Business : Design and manufacture of hermetically sealed pumps and pumping technologies. A specialist in canned motor pumps for handling liquefied gasses such as ammonia, propane, ethylene and for the most extreme applications and hazardous media.

[Official website](#)

**“Development of Large Flow Rate, High Pressure, High Efficiency Liquefied Hydrogen Boosting Pump”
was adapted by NEDO**

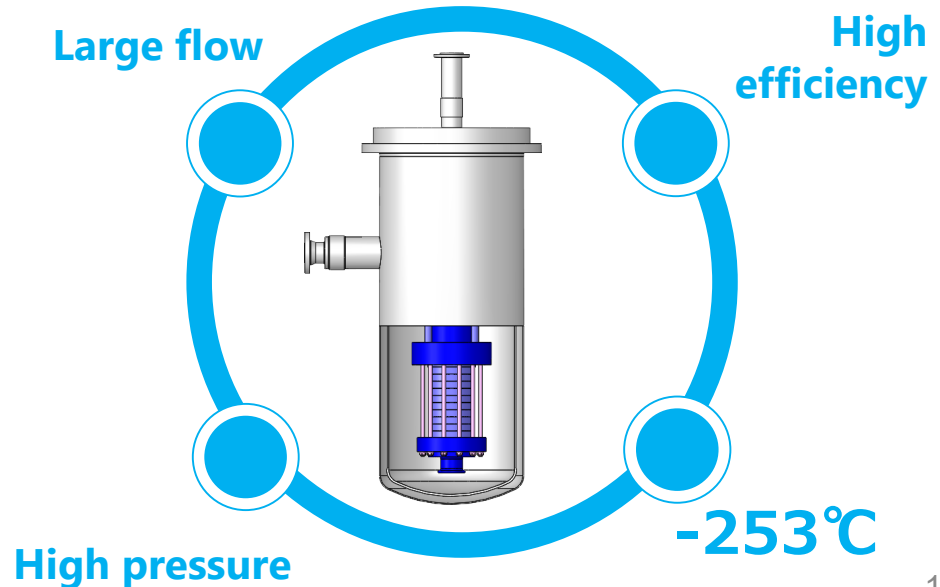
“Development of Technologies for Building a Competitive Hydrogen Supply Chain”

The Image of hydrogen receiving terminal in the future
with 200,000 m³ class large tank

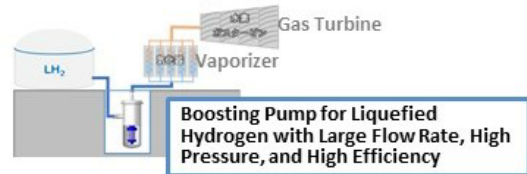


NEDO : New Energy and Industrial Technology Development Organization

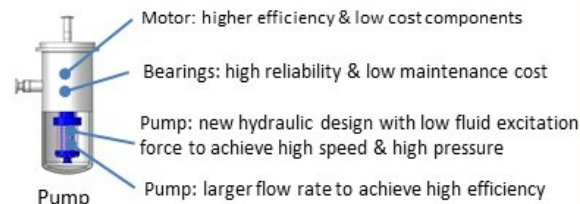
Development of hydrogen pump



The Image of Hydrogen Receiving Terminal in the Future with 200,000 m3 class large tank



Overview of Technology to be developed in-house



Development of	FY2023	FY2024	FY2025	FY2026	FY2027
1. Medium flow rate, medium pressure pump	Development, Verification				
2. Medium flow rate, high pressure pump	Element Development	Development, Verification			
3. Large flow rate, high pressure pump		Development, Verification			
4. High-efficiency motors	Development, Element test of "1" pump.	Development, Element test of "2" pump.	Development, Element test of "3" pump.		
5. Elemental technologies for low-cost motors	Element Development			Development, Verification	

Recipient of subsidies

Torishima

Research Partners

Japan Aerospace Exploration Agency (JAXA)

Kyoto University

Sanyo-Onoda City University

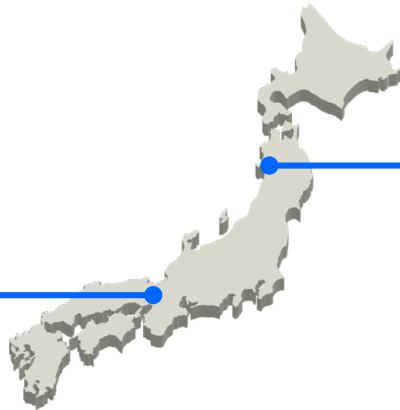
National Institute for Materials Science (NIMS)

→ Collaboration for Actual Test with Liquefied Hydrogen

→ Collaboration in the Motor Development

- ✓ **Completed manufacturing of the first pump unit.**
- ✓ Scheduled to be **tested** in a **test loop using liquefied nitrogen** in Torishima HQ.
- ✓ **Actual fluid test with hydrogen** will be held

Constructed a test loop using liquefied nitrogen in Torishima HQ, Osaka Japan



Actual liquid test with hydrogen
(-253°C) will be conducted soon
at JAXA's test site

In response to recent large-scale orders in Egypt, Torishima acquired land in the country and plans to open a service facility (in FY2024),

JETRO
日本貿易振興機構 (JETRO)

海外ビジネス情報 ▾ サービス ▾ 国・地域別に見る ▾ 目的別に見る ▾ 産業別に見る ▾

★ ビジネス短信 — JETROの海外ニュース — 西島製作所、スエズ運河経済特区に送水ポンプ製造・保守施設設立へ

ビジネス短信

西島製作所、スエズ運河経済特区に送水ポンプ製造・保守施設設立へ
(エジプト、日本)

2023年07月31日

エジプトのスエズ運河経済特区 (General Authority of the Suez Canal Economic Zone, SCZONE) は7月24日、大阪府のポンプメーカーの西島製作所に対し、大型送水ポンプの組み立て・製造・メンテナンス施設設立のために、3万平方メートルの土地を割り当てると発表 [した](#)。同施設はエジプトの大手電気設備メーカーのエルスウェディ・エレクトリック (Elsewedy Electric) の子会社が手掛ける工業団地内に設置される。同社の発表によると、ポンプ組み立て・製造・メンテナンス施設としては、中東・アフリカ地域最大規模となる見込みだ。

エジプトでは、大型送水ポンプは下水処理施設や海水淡水化プラントで利用されており、西島製作所の製品はエジプトの施設でも採用実績がある (2021年10月4日記事参照)。現地報道によると、2021年時点でエジプトの下水道普及率は65%で、新施設建設も計画されている。また、海水淡水化についても、湧水量増加のためのプロジェクトが発表されており、大型ポンプの需要増が見込まれる。

(塩川裕子)

(エジプト、日本)

General Authority of the Suez Canal Economic Zone (SCZONE), witnessed the signing of a contract to allocate an area of 30 thousand square meters for Torishima to establish a service facility for assembly, supply, and maintenance of huge water pumps

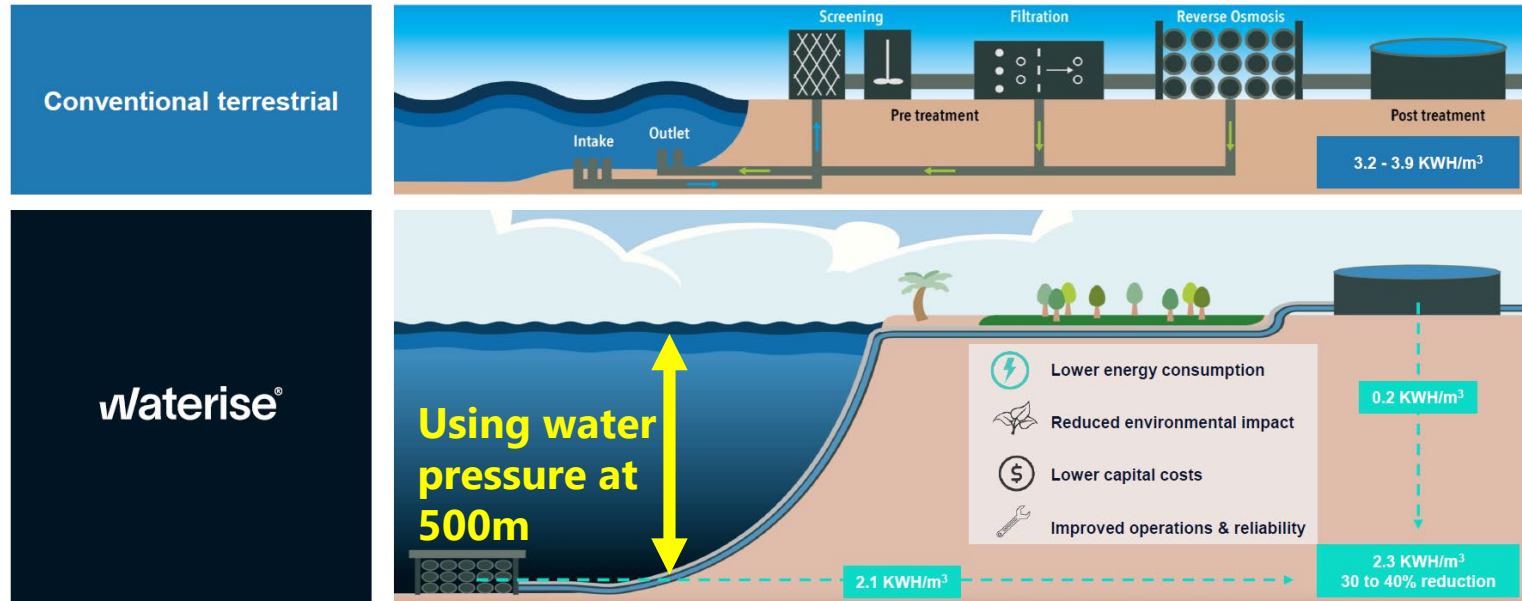
As of 2021, Egypt's sewerage system coverage is 65%, and new facilities are planned to be constructed. In addition, projects to increase seawater desalination have been announced, demand for large pumps is expected to increase.

Collaboration agreement with Waterise of Norway for a Subsea desalination.

The Waterise system has a number of key advantages over conventional terrestrial RO plants such as a **40% reduction on Specific Energy Consumption (SEC)** and requires **80% less land**.

As the system is located at 500m sea depth the water, entering the system's membranes is considerably cleaner and is a constant temperature, therefore it **does not require the high levels of chemical treatment** necessary on conventional plants.

Source: Watrise



Aug. 2023

Trishima is a **strategic partner** to **provide exclusive pumps** for Waterise's RO system.
We will contribute to the sustainable production and supply of water.



Outline of Waterise

- Waterise Solutions AS
- founded: 2018

A Norwegian company that aims to bring innovative use of RO technology to the seawater desalination market.

It leverages existing RO technology and the deepwater expertise of the Norwegian oil and gas industry.

[Official website](#)

Strategic Partners (Waterise website)



TMEIC・西島製作所のモーター一体型ポンプ、水密構造で内水氾濫対策



全3810文字

EdgeTech+に出展！組み込みシステムのIoT化に貢献する半導体製品を紹介 **PR**
 最大100Wで急速充電を実現！Qi対応・高出力ワイヤレス充電ソリューション **PR**
 リスクを低減する最適な設計。総システムコストの削減。迅速な商品化の実現。 **PR**

東芝三菱電機産業システム（TMEIC、東京・中央）と西島製作所は、水害時の排水設備向けポンプシステム「風冷式耐水モーター一体型ポンプ」を製品化した（図1）。このシステム自体が水没しても運転の継続を可能にしたのが特徴。2022年3月に初号機を納めて以降、受注の拡大に努めている（図2）。



図1 「風冷式耐水モーター一体型ポンプ」の外観
 モーター部分が水没しても運転を継続する。2022年3月に初号機を納入した。（写真：西島製作所）
 [画像のクリックで拡大表示]

Jointly developed

Air-cooled Water-resistant Pump

with TMEIC (Toshiba Mitsubishi Electric Industrial Systems Corporation), one of the largest motor manufacturers.

[Nikkei XTEC website](https://www.nikkei-xtec.com/)

Appendix

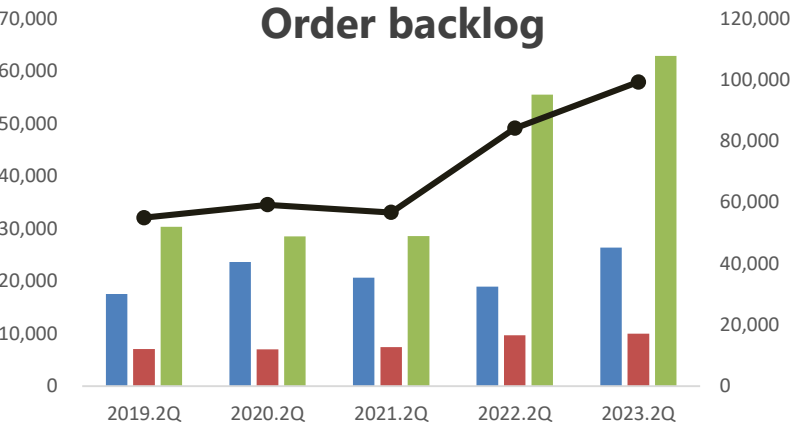
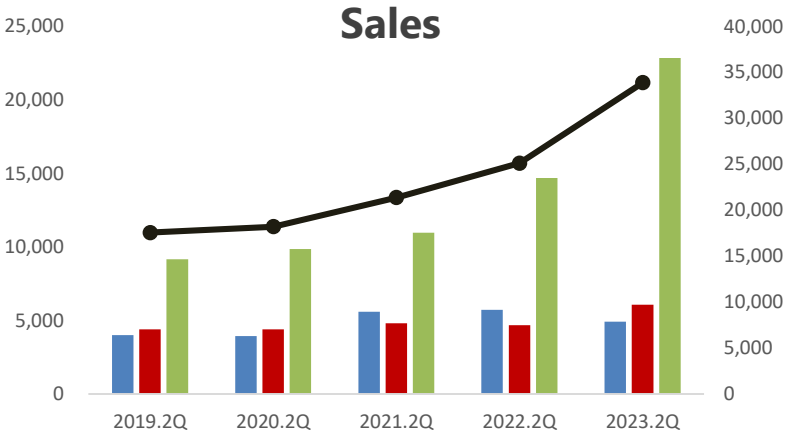
Orders Received, Sales and Orders Backlog by Segment

Millions of yen

		2Q FY2021			2Q FY2022		
		Orders received	Sales	Orders backlog	Orders received	Sales	Orders backlog
Public-sector		9,426	5,742	18,956	10,379	4,937	26,422
	YOY	-15.3%	2.5%	-8.4%	10.1%	-14.0%	39.4%
Private-sector		6,211	4,687	9,721	5,571	6,080	9,990
	YOY	12.9 %	-2.5%	31.0%	-10.3 %	29.7%	2.8%
Overseas		29,794	14,700	55,540	29,011	22,859	62,957
	YOY	125.2%	34.0%	94.0%	-2.6%	55.5%	13.4%
Total		45,432	25,130	84,219	44,961	33,877	99,369
	YOY	52.1%	17.5%	48.4%	-1.0%	34.8%	18.0%

: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

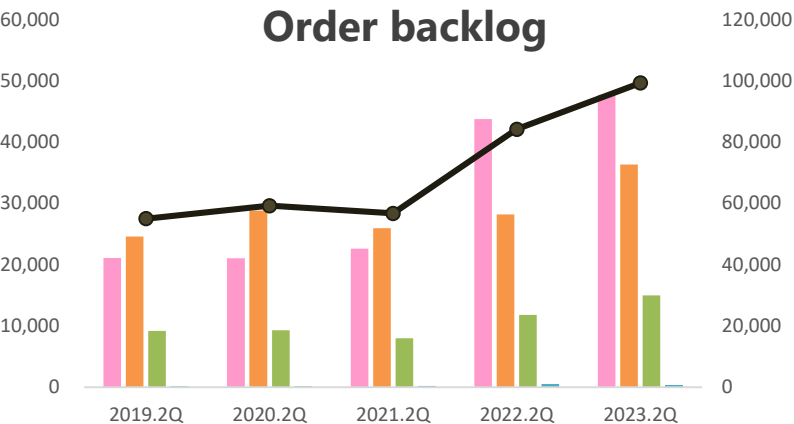
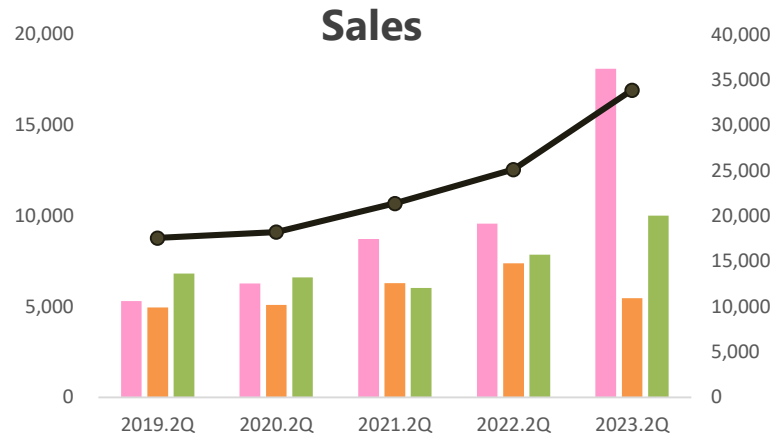
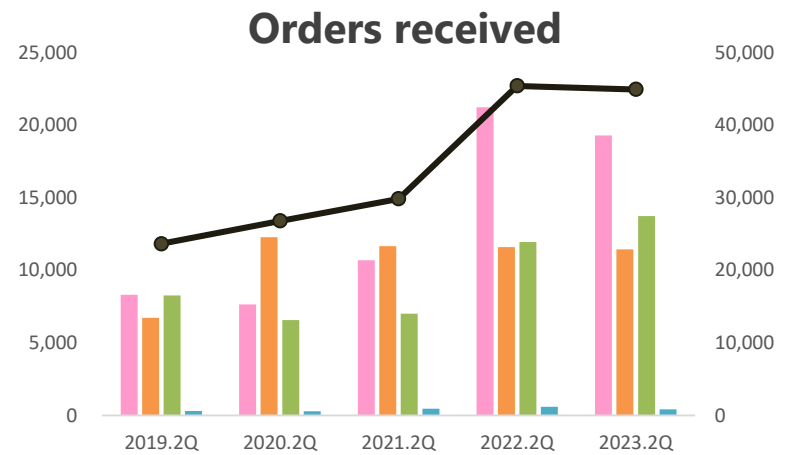
Orders Received, Sales and Orders Backlog by Business Domain

Millions of yen

		2Q FY2020			2Q FY2021		
		Orders received	Sales	Orders backlog	Orders received	Sales	Orders backlog
High-tech pump		21,253	9,573	43,757	19,318	18,120	47,737
	YOY	98.6%	9.7%	93.3%	- 9.1	89.3%	9.1%
Project		11,601	7,383	28,203	11,456	5,459	36,341
	YOY	-0.6%	17.4%	8.6%	-1.2%	- 26.1%	28.9%
Service solutions		11,971	7,866	11,784	13,749	10,021	14,970
	YOY	70.5%	30.4%	47.7%	14.9%	27.4%	27.0%
Renewable Energy and Environment		607	309	475	439	278	322
	YOY	29.1%	- 8.6%	189.6%	- 27.7%	-10.0%	-32.2%
Total		45,432	25,130	84,219	44,961	33,877	99,369
	YOY	52.1%	17.5%	48.4%	- 1.0%	34.8%	18.0%

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Orders Received, Sales and Orders Backlog by Business Domain



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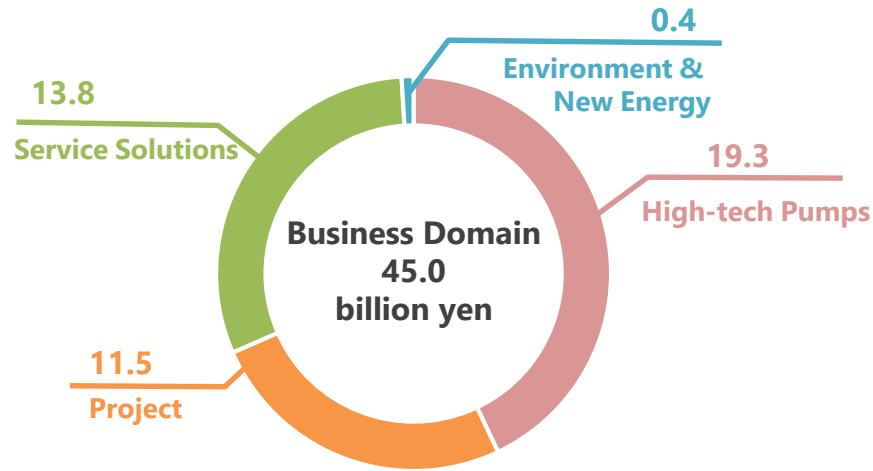
- High-tech Pumps
- Projects
- Service Solutions (aftermarket service)
- Renewable Energy and Environment

Right

Total

Millions of yen

2Q FY2023 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

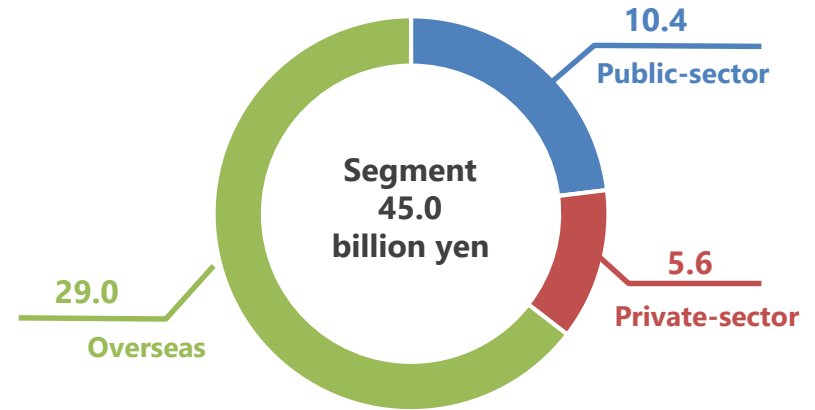
EPC project (engineering, procurement, construction) for turnkey pumping stations

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

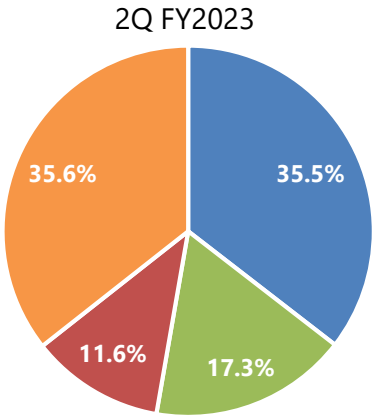
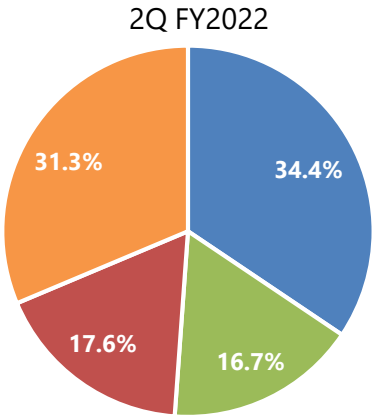
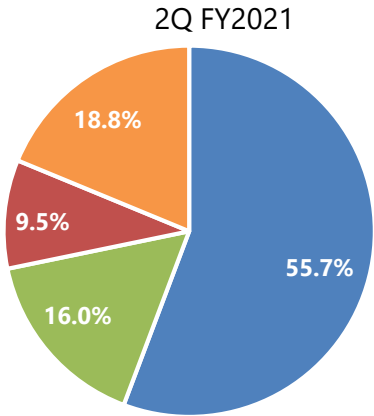
For overseas seawater desalination plants, power plants, water and wastewater pumping stations and irrigation plants.

Orders Received Breakdown by Region

Billions of yen

	Japan	Overseas	Breakdown			Total
			Asia	Middle East	Others	
2Q FY2020	16,658 (55.7%)	13,228 (44.3%)	4,788 (16.0%)	2,831 (9.5%)	5,609 (18.8%)	29,886
2Q FY2021	15,637 (34.4%)	29,795 (65.6%)	7,599 (16.7%)	7,958 (17.6%)	14,238 (31.3%)	45,432
2Q FY2022	15,950 (35.5%)	29,011 (64.5%)	7,766 (17.3%)	5,234 (11.6%)	16,011 (35.6%)	44,961

■ Japan
■ Asia
■ Middle East
■ Others

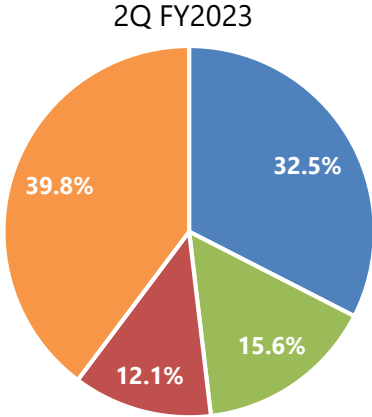
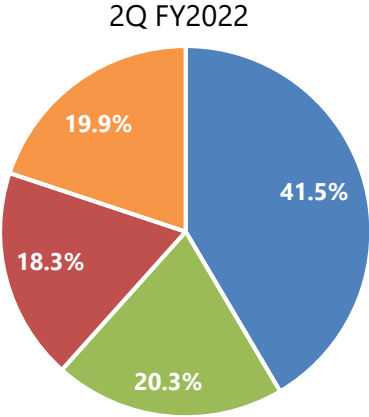
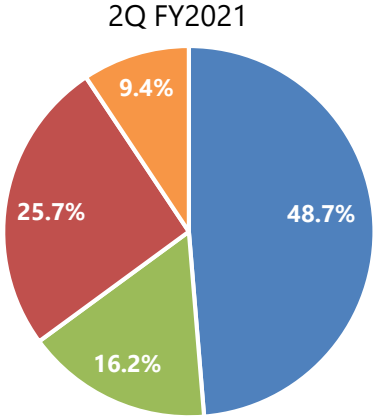


Sales Breakdown by Region

Billions of yen

	Japan	Overseas	Breakdown			Total
			Asia	Middle East	Others	
2Q FY2021	10,411 (48.7%)	10,972 (51.3%)	3,474 (16.2%)	5,497 (25.7%)	2,001 (9.4%)	21,383
2Q FY2022	10,429 (41.5%)	14,701 (58.5%)	5,058 (20.3%)	4,646 (18.3%)	4,997 (19.9%)	25,130
2Q FY2023	11,018 (32.5%)	22,859 (67.5%)	5,283 (15.6%)	4,109 (12.1%)	13,467 (39.8%)	33,877

- 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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