

# Consolidated Financial Results for the 2<sup>nd</sup> Quarter of FY2024

(April 1st 2024 ~ September 30<sup>th</sup> 2024)

14<sup>th</sup> November, 2024

TORISHIMA PUMP MFG.CO.,LTD.

**【1】 Financial Results for the 2Q FY2024**

**【2】 FY2024 Full-Year Forecast**

**【3】 TOPIX**

**【1】 Financial Results for the 2Q FY2024**

**【2】 FY2024 Full-Year Forecast**

**【3】 TOPIX**

# 2Q FY2024 Highlights

- ✓ **Orders received have increased in all categories:** public sector, private sector and overseas sector.
- ✓ **Sales Revenue has increased** due to a significant increase in sales **at our subsidiaries.**
- ✓ **Operating profit increased at subsidiaries, however decreased at the consolidated base.**
- ✓ **The full-year plan has been revised downwards for operating profit.**
- ✓ **The order backlog is at a record high of 115.4 billion yen.**

## 2Q FY2024 Financial Results Outline

		Billions of yen	YOY billions of yen
● Orders Received	...	57.8	+12.8
● Sales	...	37.6	+3.7
● Operating Income	...	0.6	-1.3
● Ordinary Income	...	-0.2	-2.1
● Net Income	...	0.5	-0.8

# 2Q FY2024 Consolidated Financial Results

Orders Received: 43.1% increase in public-sector, 1.6% increase in private-sector, 28.5% increase in overseas-sector, resulting in an overall increase by 28.5% to 57.8 billion yen.

Sales: 14.7% increase in public-sector, 9.3% decrease in private-sector, 15.4% increase in overseas, resulting in an overall increase by 10.8% to 37.6 billion yen.

Profits: Operating profit decreased by 1.3 billion yen to 600 million yen due to an increase in production costs and SG&A expenses.

Ordinary income was -200 million yen due to a large foreign exchange loss resulting from the sharp appreciation of the yen since August.

Net income was 500 million yen as a result of the sale of certain securities holdings.

	2Q FY2023	2Q FY2024	YOY		FY2024 plan	Progress
			Amount	%		
Orders Received	45.0	57.8	+12.8	+28.4%	89.0	64.9%
Sales	33.9	37.6	+3.7	+10.9%	86.0	43.7%
Gross Operating Income (Gross profit margin)	9.6 (28.3 %)	9.6 (25.5 %)	±0.0 (-2.8pt)	±0%		
SG&A expense	7.7	8.9	+1.2	+15.6%		
Operating income (Operating profit margin)	1.9 (5.6%)	0.6 (1.6%)	-1.3 (-4.0pt)	-68.4%	7.3 (8.5%)	8.2%
Non-operating Profit or loss	+0.0	-0.8	-0.8	—	—	
Ordinary income	1.9	-0.2	-2.1	—	6.3	—
Extraordinary profit or loss	+0.2	+1.0	+0.8	+400.0%	—	
Net income	1.3	0.5	-0.8	-61.5%	5.3	9.4%

Billions of yen

Foreign exchange rate (1USD)  
¥149.58  
30/09/2023

¥142.73  
30/09/2024

Assumed rate¥150

# 2Q FY2024 Financial Results (Non-consolidated / Subsidiaries)

## ■ Non-consolidated

Billions of yen

	2Q FY2023	2Q FY2024	YOY	
			Amount	%
Sales	26.3	26.6	+0.3	+1.1%
Gross Operating Income (Gross profit margin)	6.4 (24.3%)	4.6 (17.3%)	-1.8 (-7.0pt)	-28.1%
SG&A expense	4.8	5.3	+0.5	+10.4%
Operating income (Operating profit margin)	1.6 (6.1%)	-0.8 (-3.0%)	-2.4 (-9.1pt)	—

- ✓ Sales continue to remain at a high level, but profit has decreased due to the following two factors
  - ① An increase in pump production costs
  - ② A decrease in sales due to wind turbine breakdowns
- ✓ While gross profit decreased, SG&A expenses progressed as planned, resulting in an operating loss of 800 million yen.

## ■ Subsidiaries

Billions of yen

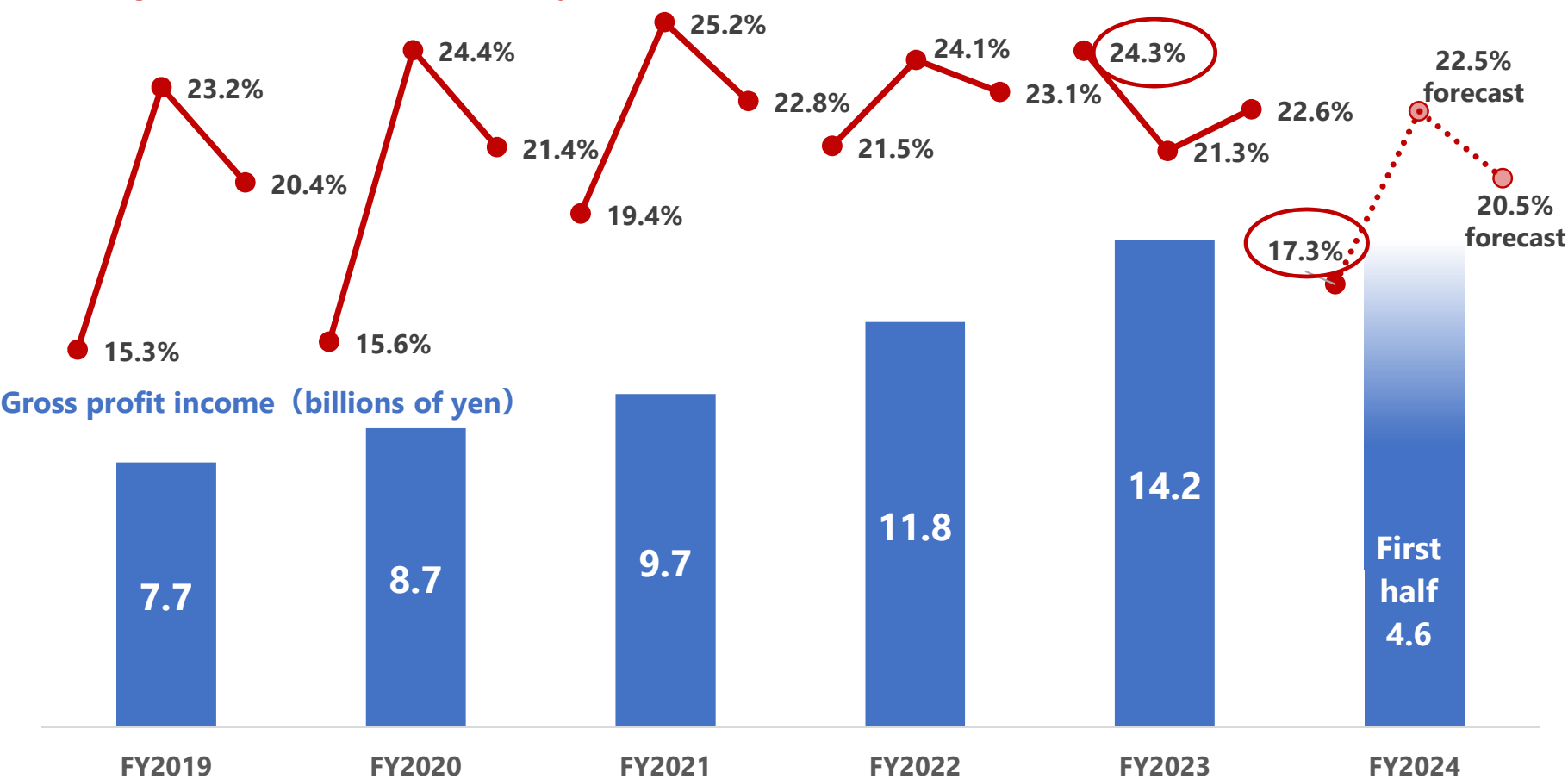
	2Q FY2023	2Q FY2024	YOY	
			Amount	%
	11.7	14.9	+3.2	+27.4%
	3.9 (33.3%)	5.3 (35.6%)	+1.4 (+2.3pt)	+35.9%
	3.3	4.0	+0.7	+21.2%
	0.6 (5.1%)	1.4 (9.4%)	+0.8 (+4.3pt)	+133.3%

- ✓ Overall, our subsidiaries performed well, resulting in a significant increase in sales.
- ✓ Despite an increase in SG&A expenses, the increase in sales and improved profit margin absorbed the increase in expenses, resulting in a significant increase in operating income.

# Trends in gross profit margin (first half, second half, full year) and full year gross profit

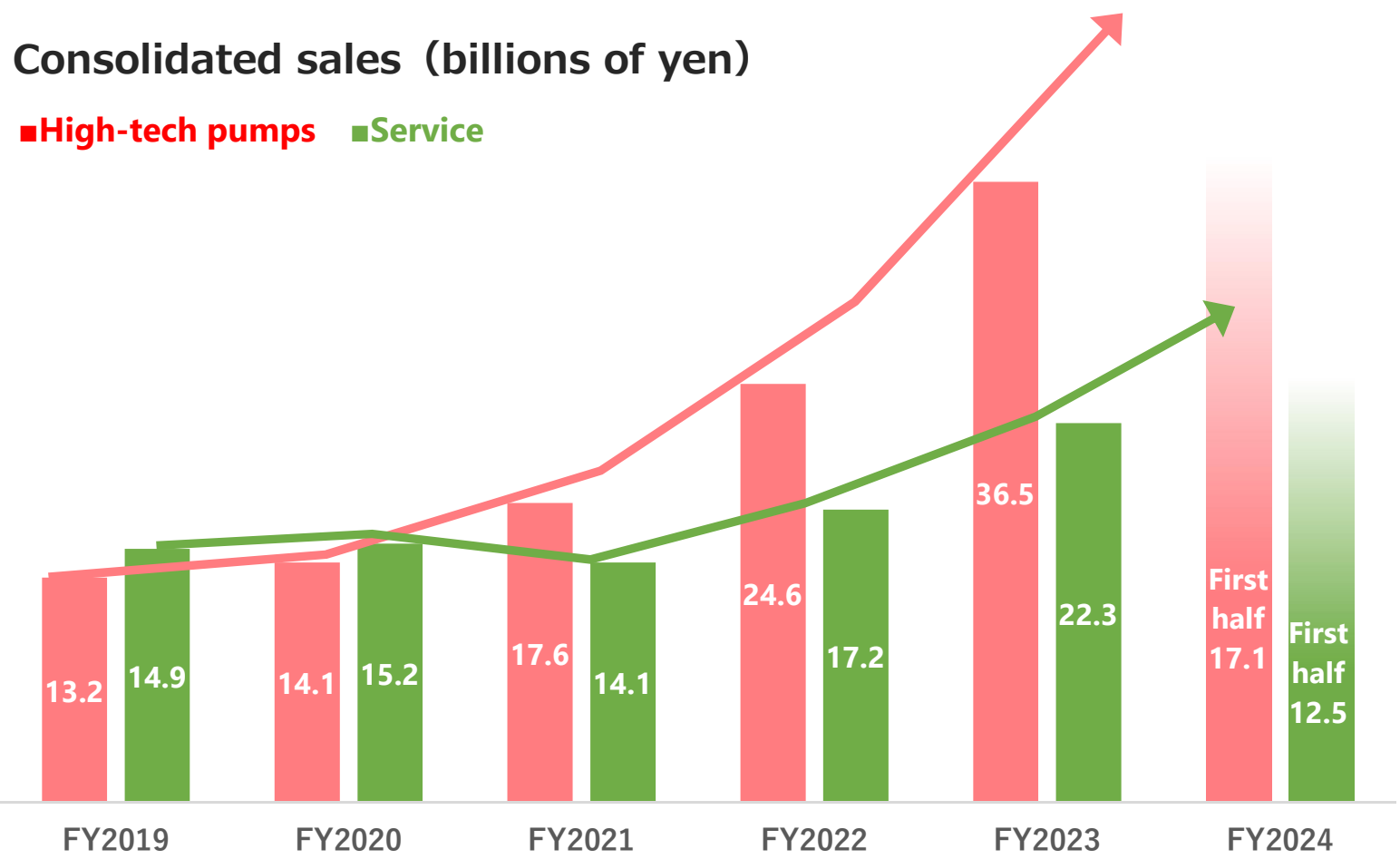
- ✓ In the first half of FY2024, the profit margin fell due to an increase in production costs.
- ✓ The profit margin is expected to recover in the second half, but the gross profit for the full year is expected to remain at the same level as the previous year.

Gross profit margin (first half, second half, full year)



# Torishima Business Strategy 1

By increasing our high-tech pumps business and establishing service bases close to end users, this expansion of the service business will continue to **improve the overall profit margin**.



## Torishima Business Strategy 2

Since we began focusing on the service business in FY2009, we have **expanded to 15 locations worldwide**. We expect to continue expanding in the future.

	Year	Company	Country
1	1999	Torishima Guna Engineering	Indonesia
2	2009	Torishima Service Solutions	UAE
3	2010	Torishima Service Solutions Europe	UK
4	2012	Torishima Service Solutions Asia Private	Singapore
5	2016	Torishima Service Solutions (Saudi Arabia)	Saudi Arabia
6	2016	Torishima Pumps (India) Pvt Ltd. Service Division	India
7	2016	Torishima Service Solutions Thailand	Thailand
8	2018	Torishima Service Solutions Malaysia	Malaysia
9	2018	Torishima Service Solutions Formosa	Taiwan
10	2018	Torishima Service Solutions Michigan	USA
11	2019	Torishima Service Solutions Asia Philippines Office	Philippines
12	2021	Cryo Pump Repairs	UK
13	2021	Australia Fluid Handling	Australia
14	2024	Torishima Service Solutions Qatar	Qatar
15	2024	Torishima Service Solutions Egypt	Egypt

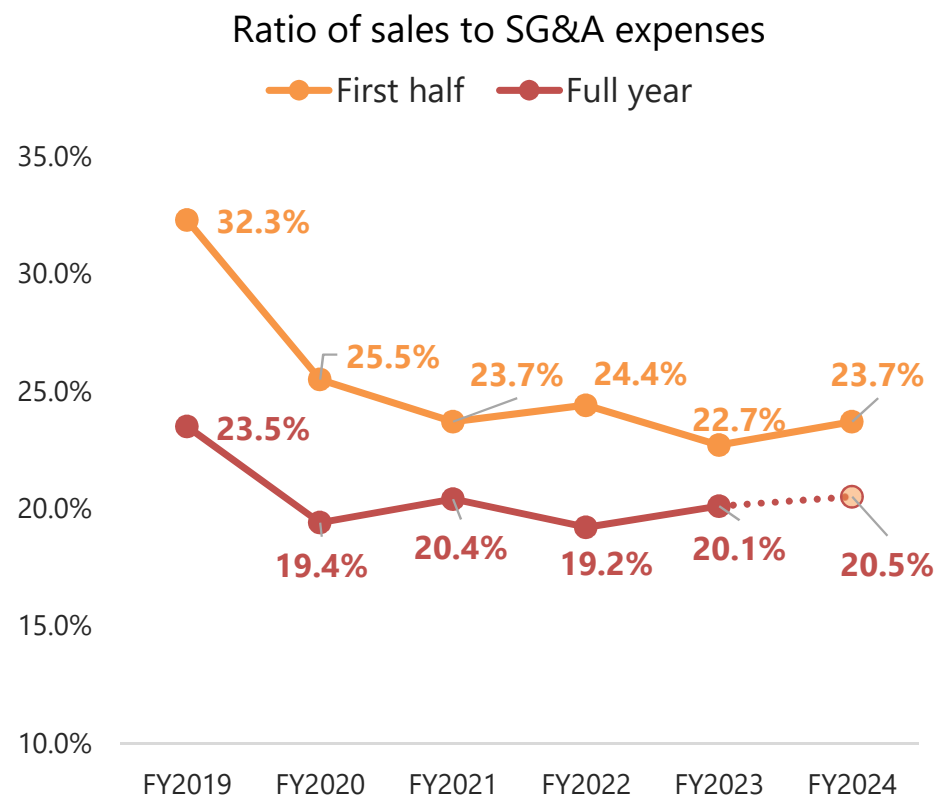
## SG&A expenses and SG&A expenses ratio (consolidated)

SG&A expenses are on the rise, but the ratio of SG&A expenses to sales remains stable.

In addition, the SG&A ratio tends to be higher in the first half of the year, as sales on the parent company basis are weighted towards the second half of the year.

All of the following are forward-looking investments, and we expect to see a similar level in the second half of the year.

	Factors contributing to the increase	YoY increase
Personnel cost	In addition to base salary increases for employees and bonus increases due to strong business performance, we are investing in human resources for future growth.	+0.8
R&D	Promote the development of pumps for new energy sources, such as liquefied ammonia, liquefied hydrogen, and pumps for deep sea desalination system.	+0.2
Newly consolidated subsidiary	Enhance service subsidiaries in Japan and overseas.	+0.2
Total		+1.2



【1】 Financial Results for the 2Q FY2024

【2】 **FY2024 Full-Year Forecast**

【3】 TOPIX

## FY2024 Full-Year Forecast (Consolidated)

- Orders received and revenue are progressing in line with the plan.
- Profit is expected to recover in the second half of the year, but the full-year forecast has been revised downwards due to the results of the first half of the year

Billions of yen

	FY2023 Result	FY2024			Difference from initial plan
		First half result	Initial plan	Revised plan	
Orders received	88.0	57.8	89.0	91.0	+ 2.0
Sales	81.1	37.6	86.0	88.0	+2.0
Operating income (Operating profit margin)	6.8 (8.4%)	0.6 (1.6%)	7.3 (8.5%)	6.2 (7.0%)	-1.1 (-1.5pt)
Ordinary income	6.3	-0.2	6.3	5.5	-0.8
Net income	6.2	0.5	5.3	4.8	-0.5

Foreign exchange rate  
(1USD)

31th Mar. 2024  
¥151.41

30<sup>th</sup> Sep. 2024  
¥142.73

Assumed  
rate¥150

Assumed rate  
no change

## FY2024 Full-Year Forecast (Non consolidated & Subsidiaries)

### ■ Non consolidated

	FY2023 Result	FY2024			Difference from initial plan
		First half	Initial plan	Revised plan	
Sales	62.9	26.6	67.0	68.0	+1.0
Operating income (Operating profit margin)	4.3 (6.8%)	-0.8 (-3.0%)	4.8 (7.1%)	3.5 (5.1%)	-1.3 (-2.0pt)

### ■ Subsidiaries (Before consolidation adjustments)

	FY2023 Result	FY2024			Difference from initial plan
		First half	Initial plan	Revised plan	
Sales	27.3	14.9	28.0	28.0	No change
Operating income (Operating profit margin)	2.8 (10.3%)	1.4 (9.4%)	2.8 (10.0%)	2.9 (10.4%)	+0.1 (+0.4pt)

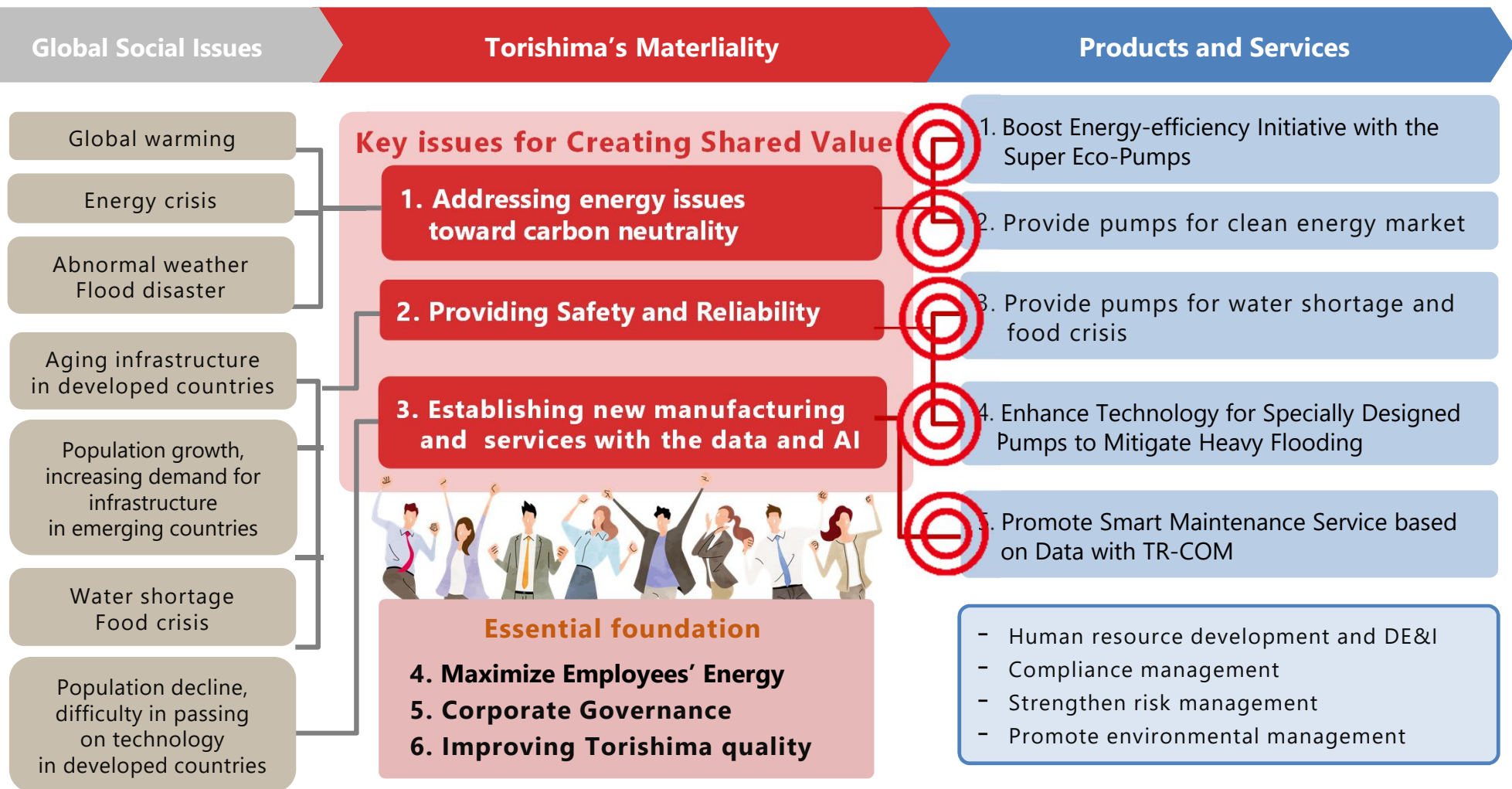
**【1】 Financial Results for the 2Q FY2024**

**【2】 FY2024 Full-Year Forecast**

**【3】 TOPIX**

# Torishima's Materiality

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



To be Indispensable to Society

## Provide pumps for clean energy market (Ammonia)

Jun. 2024

The **demonstration test** at the JERA Hekinan Power Plant ended with positive results.

Oct. 2024

Installation of an in-tank pump system in Indonesia progressing smoothly

Dec. 2024 – Jan. 2025 (plan)

A demonstration test of an 'in-tank' pump system using liquid ammonia scheduled to be held in Indonesia.



▼ Installation of the Pump completed at Torishima Indonesia



Provide pumps for clean energy market (CO2 capture pump)

Mitsubishi Heavy Industries and Torishima have combined their technologies to enter the CCS (carbon dioxide capture) field.

 **TORISHIMA**  
High-capacity, High-pressure  
centrifugal pump technology

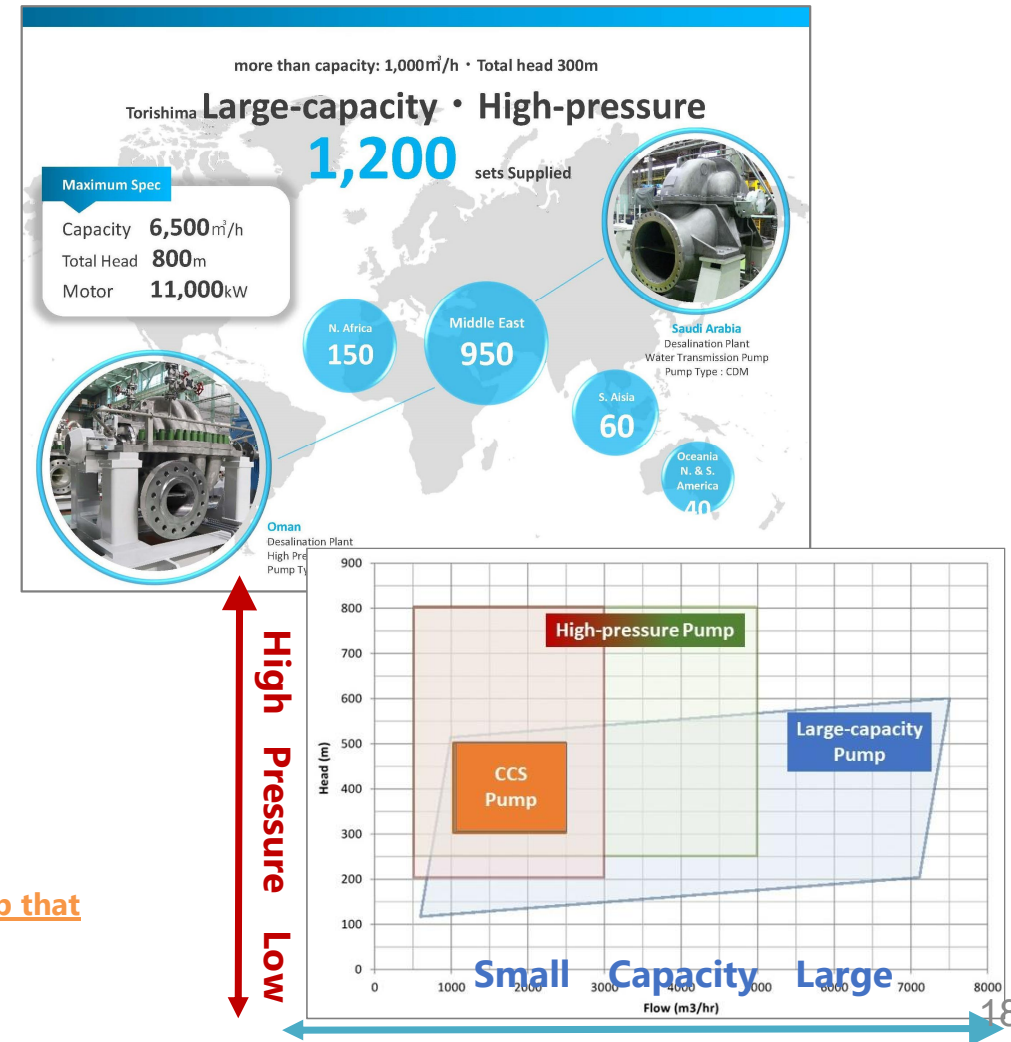
that Torishima has cultivated in the seawater desalination pumps and long-distance water supply pumps



**CO2 Recovery Amine Process Pump Technology**

that Mitsubishi Heavy Industries has accumulated knowledge over many years

Torishima has concluded a technical support agreement with Mitsubishi Heavy Industries and will receive technical assistance for the design of the amine pump that pressurises the absorbent solution and the power recovery turbine. This is used during the CO2 separation/ capture process.



Provide pumps for water shortage and food crisis (Deep sea desalination pump)

## Successful performance test of a pump for a 500m deep seawater desalination plant

Expanding opportunities for our water-sealed motor technology, one of the Torishima's strengths



Final design for the complete Subsea Module in Process.

▼ Deep sea RO system



▼ Performance test



 TORISHIMA  waterise®

Provide pumps for water shortage and food crisis (Seawater desalination pump)

## Torishima pumps for seawater desalination plants are attracting attention

An article about Torishima's pumps for seawater desalination plants was published in the Nikkei newspaper on 11th October 2024.



## ポンプ、脱炭素で新市場



西島製作所は海水淡水化ポンプの受注が急拡大している（大阪府高槻市の工場）

人口約4500万人のアルジェリア。南欧と地中海を挟んで向き合う北部の都市ベジャヤなど4地域で、海水淡水化プラントの建設が次々と始まっている。

各プラントはそれぞれ1日当たり300万人の飲み水を確保する計画。高機能ポンプ、計143台の受注をすべて受けたのが大阪府高槻市を本拠とする西島製作所だ。

アルジェリアではさらに6プラント分の受注が内定し、カーボベルデとモロッコからも受注のメドが立っている。いずれもエネルギー機関にある北アフリカの国々だ。

従来はオイルマネーで潤っていた北アフリカ諸国で、太陽光や風力などの大規模な再生エネルギープロジェクトが立ち上がったことがある。脱炭素を目指す欧州が北アフリカから送電網で電力を得る可能性に気づき、欧州連合（EU）内の公的な資金やエネルギー大手の資金が流れ込んだ。国連組織の国際再生可能エネルギー機関にある北アフリカの国々だ。

再生可能エネルギーの活用を脱炭素に向けた社会の変化を受け、新たな需要が生じている。西島製作所には北アフリカからの受注が相次ぎ、帝国電機製作所は液化シモニアなど新原料に強いポンプの生産を加速している。

### 西島製作所▶海水淡水化

## 北アフリカで大量受注

太陽光発電量の2割、風力の5割を北アフリカ6カ国が占めている。電力を自前で確保できないようになった北アフリカ諸国が乗り出したのが海水淡水化だ。慢性的な水不足は地域の課題で、その歴史的な転換点を西島は見逃さなかった。

西島が受注を「取り」プラントは1日当たり30万立方メートルの水を処理できる。流体の流れを導く工夫を凝らし、部品の羽根の形状などの設計に「努力と製造ノウハウを詰め込んだ」（小野塚英樹氏）という。

技術だけではなく、現在、エジプトにアフリカで初めてとなるメンチナス工場を建設しており、ポンプを交換、供給できる体制を整える。

世界のポンプ市場は30年に1065億（15兆7000億円）と22年からの増える見通し。上下水道施設や石油化学プラントなどが産業用ポンプの主戦場だが、今後は新エネルギーに対応したポンプの需要も伸びる。

11<sup>th</sup> Oct. 2024  
Nikkei news paper

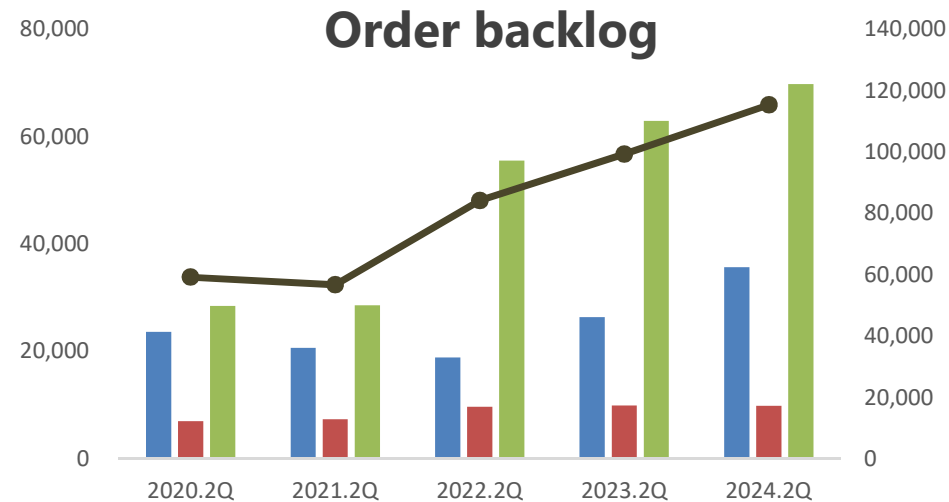
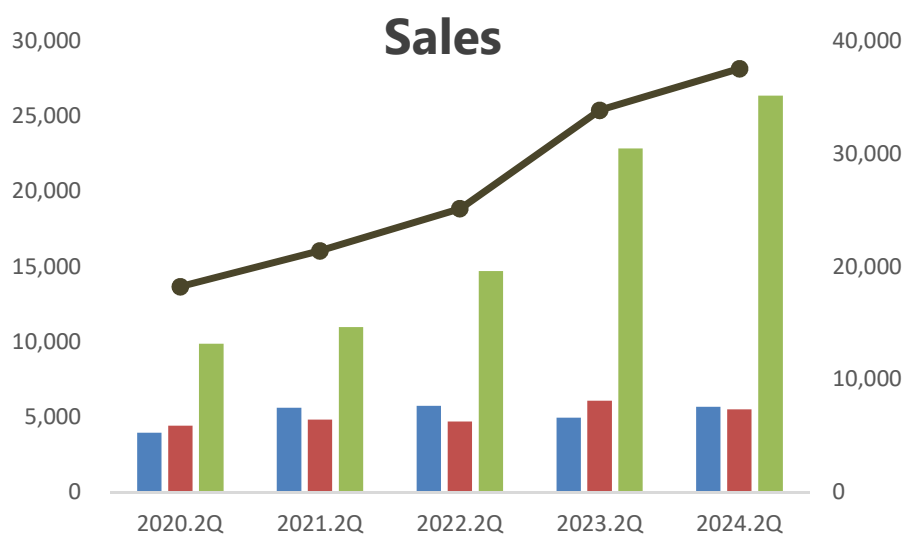
# Appendix

# Orders Received, Sales and Orders Backlog by Segment

Millions of yen

		2Q FY2023			2Q FY2024		
		Orders received	Sales	Orders backlog	Orders received	Sales	Orders backlog
Public-sector		10,379	4,937	26,422	14,859	5,667	35,704
	YOY	10.1%	▲14.0%	39.4%	43.1%	14.7%	35.1%
Private-sector		5,571	6,080	9,990	5,665	5,508	9,906
	YOY	▲10.3 %	29.7%	2.8%	1.6 %	▲9.3%	▲0.8%
Overseas		29,011	22,859	62,957	37,293	26,388	69,780
	YOY	▲2.6%	55.5%	13.4%	28.5%	15.4%	10.8%
Total		44,961	33,877	99,369	57,819	37,565	115,391
	YOY	▲1.0%	34.8%	18.0%	28.5%	10.8%	16.1%

# 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

		2Q FY2023			2Q FY2024		
		Orders received	Sales	Orders backlog	Orders received	Sales	Orders backlog
High-tech pump		19,318	18,120	47,737	16,135	17,123	46,595
	YOY	▲9.1	89.3%	9.1%	▲16.5%	▲5.5%	▲2.4%
Project		11,456	5,459	36,341	22,534	7,790	48,749
	YOY	▲1.2%	▲26.1%	28.9%	96.7%	42.7%	34.1%
Service solutions		13,749	10,021	14,970	18,999	12,469	19,822
	YOY	14.9%	27.4%	27.0%	38.2%	24.4%	32.4%
Renewable Energy and Environment		439	278	322	151	183	226
	YOY	▲27.7%	▲10.0%	▲32.2%	▲65.8%	▲34.2%	▲29.8%
Total		44,961	33,877	99,369	57,818	37,565	115,391
	YOY	▲1.0%	34.8%	18.0%	28.6%	10.9%	16.1%

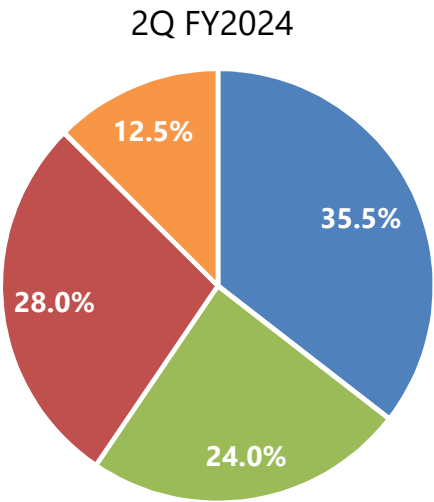
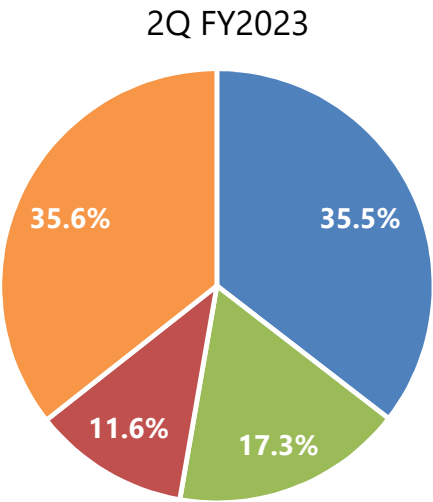
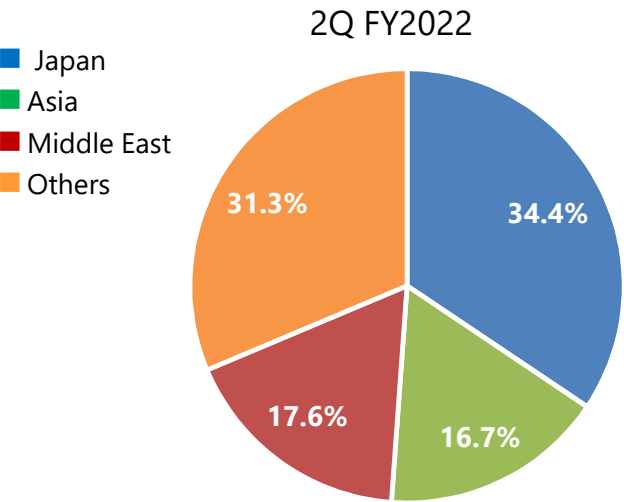
# Orders Received, Sales and Orders Backlog by Business Domain



# Orders Received Breakdown by Region

Billions of yen

	Japan	Overseas	Breakdown			Total
			Asia	Middle East	Others	
2Q FY2022	15,637 (34.4%)	29,795 (65.6%)	7,599 (16.7%)	7,958 (17.6%)	14,238 (31.3%)	45,432
2Q FY2023	15,950 (35.5%)	29,011 (64.5%)	7,766 (17.3%)	5,234 (11.6%)	16,011 (35.6%)	44,961
2Q FY2024	20,524 (35.5%)	37,294 (64.5%)	13,871 (24.0%)	16,181 (28.0%)	7,242 (12.5%)	57,818

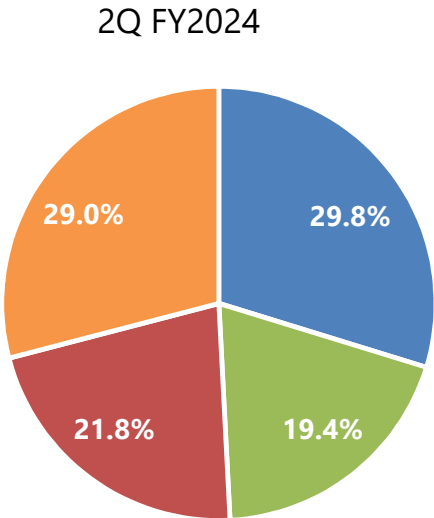
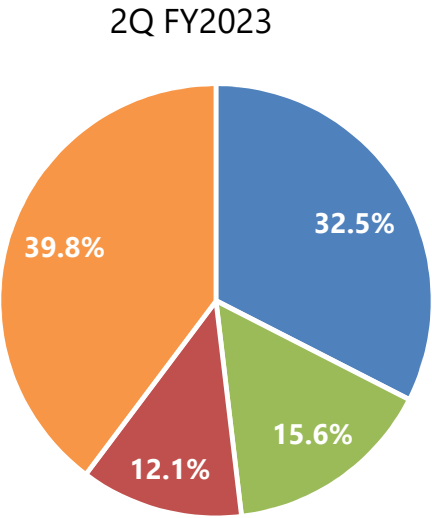
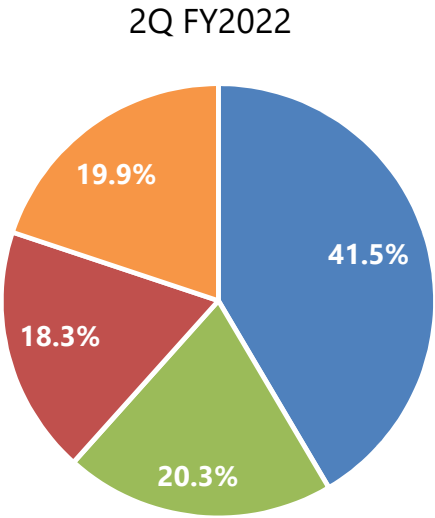


# Sales Breakdown by Region

Billions of yen

	Japan	Overseas	Breakdown			Total
			Asia	Middle East	Others	
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
2Q FY2024	11,177 (29.7%)	26,388 (70.3%)	7,302 (19.4%)	8,172 (21.8%)	10,914 (29.0%)	37,565

- 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