

**RESULTS OF OPERATIONS FOR
THE THIRD QUARTER ENDED DECEMBER 31, 2014 (CONSOLIDATED)
(Japanese GAAP)**

February 5, 2015

Listed company name: Torishima Pump Mfg. Ltd.
 Stock exchange listings: First Section of Tokyo Stock Exchange
 Code number: 6363 URL: <http://www.torishima.co.jp>
 Representative: Kotaro Harada, President
 Contact person: Koichi Otao, Executive Officer, General Manager of Accounting Department
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 Scheduled date of filing quarterly financial statements: February 13, 2015
 Scheduled date of starting dividend payment: -
 Preparing supplementary material on quarterly financial results: No
 Holding quarterly financial results presentation meeting: No

Note: The amounts are rounded down to the nearest million.

1. Consolidated financial results of nine months ended December 31, 2014 (April 1, 2014 through December 31, 2014)

(1) Operating results Millions of yen, except per share data

	Net sales		Operating income		Ordinary income		Net income	
		%		%		%		%
Nine months ended Dec. 31, 2014	27,690	5.4	-1,449	-	-461	-	-232	-
Nine months ended Dec. 31, 2013	26,264	-4.0	-1,629	-	-865	-	-448	-

Note: Comprehensive income Nine months ended Dec. 31, 2014 ¥ -636 million (-%)

Nine months ended Dec. 31, 2013 ¥ 280 million (-%)

	Net sales per share	Net sales per share-Diluted
	Yen	Yen
Nine months ended Dec. 31, 2014	-8.35	-
Nine months ended Dec. 31, 2013	-15.96	-

Note: % represents percentage change from a comparable previous year

(2) Financial position Millions of yen, except per share data

	Total assets	Net assets	Equity ratio
			%
Dec. 31, 2014	69,534	33,587	47.5
March 31, 2014	68,062	34,524	49.9

(Reference): Shareholders' equity: (Dec. 31, 2014)¥33,058million (March 31, 2014)¥33,944 million

2. Dividends

	Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Fiscal year end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2013	-	9.00	-	9.00	18.00
FY2014	-	9.00	-		
FY2014 (Forecast)				9.00	18.00

Note: Revision of forecast for dividend during this quarter: No

3. Forecast for fiscal year ending March 31, 2015

Millions of yen, except per share data

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	%	%	%	%	Yen
Annual	46,000 -	500 -	700 -	500 13.1	18.19

Note1: % represents percentage change from a previous year

Note2: Revision of the forecast during this quarter: No

4. Others

(1) Changes in significant subsidiaries during this period: No

New: - Excluded: -

(2) Adoption of special accounting methods for presenting quarterly consolidated financial statements: Yes

(For further details, please refer to page 5, “(2) Adoption of special accounting methods for presenting quarterly consolidated financial statements”.)

(3) Changes in accounting principles, accounting estimates and correction of prior period errors

① Changes of accounting principles due to revisions of accounting standards: Yes

② Changes of accounting principles other than the above: No

③ Changes in accounting estimates: No

④ Correction of prior period errors: No

(4) Number of shares outstanding (Common stock)

① Number of shares outstanding at period end (including treasury stock)

(Dec. 31, 2014) 29,889,079 (March 31, 2014) 29,889,079

② Number of treasury stock at period end

(Dec. 31, 2014) 2,401,592 (March 31, 2014) 1,814,990

③ Weighed-average number of shares outstanding over the period

(April 1 – Dec. 31, 2014) 27,813,451 (April 1 – Dec. 31, 2013) 28,070,275

-Information regarding the implementation of quarterly review procedure

These quarterly financial results do not fall within the scope of the Quarterly Review Procedures referenced in the Financial Instruments and Exchange Act. At the time of disclosure of the quarterly financial results, the Group was in the process of implementing the quarterly review procedures for its quarterly financial statements.

-Explanation for adequate utilization of the forecast, and other note

Forecast shown above is prepared based on information available as of the issuing date of this report and assumptions that we consider as reasonable, and therefore the actual results may differ from these forecasted figures due to various unknown factors. For matters related to the above forecast, please refer to page 5, “(3) Qualitative information on consolidated earnings forecasts”.

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1. Qualitative information, Financial Statements, etc.

(1) Qualitative information on consolidated results of operations

During the third quarter of FY2014, in the U.S., consumer spending as well as companies' production and investment continued steadily despite concerns about the impact of tighten quantitative easing. In Europe, the economy showed a moderate recovery because the high unemployment rate and the debt crisis were prolonged and also the consumption and the production weakened. In addition, the economic growth leveled off in emerging countries including China which have led the global economy. As a whole, the world economy showed the uncertainty and the modest recovery.

In Japan, consumer spending decreased because the rising prices associated with an increase in the consumption tax put downward pressure on the employee compensation in real terms. Furthermore, the economic recovery decelerated in emerging countries and significant trade deficits were recorded as prices in imported materials rose due to depreciation of the yen, therefore the economic recovery did not attain full-scale.

The pump manufacturing industry continued steady demand from overseas for water- and energy-related sector. However competition for orders in the industry continued severe due to the uncertain economy centering on emerging countries and companies' cautious stance toward investment against the backdrop of delays in consumption recovery.

Orders received during the third quarter of FY2014 (April 1, 2014-Dec. 31, 2014) decreased by ¥11,504 million from the same period last year to ¥33,656 million. Orders received from domestic public sector decreased by ¥3,032 million from the same period last year to ¥9,763 million, orders received from domestic private sector decreased by ¥565 million from the same period last year to ¥4,541 million, and orders received from overseas sector decreased by ¥7,906 million from the same period last year to ¥19,352 million.

Net sales during the third quarter of FY2014 (April 1, 2014-Dec. 31, 2014) increased by ¥1,426 million from the same period last year to ¥27,690 million. Operating losses during the third quarter of FY2014 (April 1, 2014-Dec. 31, 2014) amounted to ¥1,449 million (operating losses during the same period last year were ¥1,629 million). The ratio of operating income to net sales amounted to -5.2%.

Ordinary losses during the third quarter of FY2014 amounted to ¥461million (ordinary losses during the same period last year were ¥865 million) influenced by a foreign exchange gain of ¥914 million posted as non-operating income. The ratio of ordinary income to net sales amounted to -1.7%.

Net losses during the third quarter of FY2014 amounted to ¥232 million (net losses during the same period last year were ¥448 million). The ratio of net income to net sales amounted to -0.8%. Net losses per share amounted to ¥8.35.

(2) Qualitative information on consolidated financial position

At the end of the third quarter (Dec. 31, 2014), the Group's total assets amounted to ¥69,534 million, ¥1,472 million higher than at the end of the previous fiscal year (March 31, 2014). Principal changes in asset items included an increase in work in process of ¥3,380 million and an increase in investment securities of ¥1,068 million despite a decline in notes and accounts receivable-trade of ¥5,129 million.

Total liabilities amounted to ¥35,947 million, ¥2,408 million higher than at the end of the previous fiscal year. Principal changes in liability items included an increase in short-term loans payable of ¥4,118 million and an increase in advances received of ¥1,499 million despite a decline in notes and accounts payable-trade of ¥4,449

million.

Net assets amounted to ¥33,587 million, ¥963 million lower than at the end of the previous fiscal year. Principal changes in net asset items included an increase in treasury shares by acquisition of treasury shares of ¥536 million and a decline in deferred gains or losses on hedges of ¥541 million.

(3) Qualitative information on consolidated earnings forecasts

Forecasts for fiscal year ending March 31, 2015 announced on November 13, 2014 have not been changed.

2. Other information

(1) Changes in significant subsidiaries during this period (Oct 1, 2014-Dec 31, 2014)

No items to report

(2) Adoption of special accounting methods for presenting quarterly consolidated financial statements

In determining tax expenses, the effective tax rate after application of tax effect accounting for income before income taxes for the consolidated fiscal year, inclusive of the third quarter of consolidated FY2014, has been estimated in a rational manner, and tax expenses have been calculated by multiplying the quarterly income before income taxes and adjustments by this estimated effective tax rate.

However, we use the statutory effective tax rate in cases where the estimated effective tax rate is unavailable.

(3) Changes in accounting principles, accounting estimates and correction of prior period errors

(Application of accounting standard for retirement benefits)

The Company has applied the Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan (ASBJ) Statement No.26 of May 17, 2012) and the Implementation Guidance (No.25 of May 17, 2012) to the main clause stipulated in Article 35 of the Accounting Standard for Retirement Benefits and Article 67 of the Guidance on Accounting Standard for Retirement Benefits since the first quarter of the current fiscal year. Under the new standard, the calculation of liabilities for retirement benefits and service costs has been revised and the method of attributing expected benefits to periods has been changed from straight-line basis to benefit formula basis. The determination of the discount rate has been changed from remaining service period basis to summation average discount rate basis.

In accordance with transitional accounting as stipulated in Article 37 of the Accounting Standard for Retirement Benefits, the effect of the changes in accounting policies arising from the revision of liabilities for retirement benefits and service costs is recognized in retained earnings, at the beginning of the third quarter of the current fiscal year.

As a result of adjustments, liabilities for retirement benefits have decreased by ¥1,330 million, and retained earnings have increased by ¥856 million at the beginning of the third quarter of the current fiscal year. The impact on operating loss, ordinary loss, and loss before income taxes and minority interests during the third quarter of the fiscal year is negligible.

3. Consolidated quarterly financial statement

(1) Consolidated quarterly balance sheet

(Millions of yen)

	End of previous consolidated fiscal year (March 31, 2014)	End of the third quarter of consolidated FY2014 (December 31, 2014)
Assets		
Current assets		
Cash and deposits	4,125	5,505
Notes and accounts receivable - trade	26,931	21,801
Securities	700	—
Merchandise and finished goods	459	474
Work in process	5,634	9,014
Raw materials and supplies	1,542	1,786
Advance payments - trade	422	734
Deferred tax assets	1,028	1,765
Other	1,289	1,595
Allowance for doubtful accounts	-243	-214
Total current assets	41,889	42,463
Non-current assets		
Property, plant and equipment	10,511	10,603
Intangible assets	2,219	2,304
Investments and other assets		
Investment securities	12,505	13,573
Other	1,144	815
Allowance for doubtful accounts	-208	-225
Total investments and other assets	13,441	14,163
Total non-current assets	26,173	27,071
Total assets	68,062	69,534

(Millions of yen)

	End of previous consolidated fiscal year (March 31, 2014)	End of the third quarter of consolidated FY2014 (December 31, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,881	7,432
Short-term loans payable	6,934	11,053
Income taxes payable	179	145
Advances received	1,971	3,470
Provision for bonuses	722	352
Provision for product warranties	720	922
Provision for loss on construction contracts	351	429
Other	2,042	2,816
Total current liabilities	24,804	26,623
Non-current liabilities		
Long-term loans payable	6,728	8,127
Provision for directors' retirement benefits	13	11
Net defined benefit liability	1,448	38
Other	543	1,145
Total non-current liabilities	8,734	9,323
Total liabilities	33,538	35,947
Net assets		
Shareholders' equity		
Capital stock	1,592	1,592
Capital surplus	7,822	7,828
Retained earnings	23,888	24,013
Treasury shares	-962	-1,498
Total shareholders' equity	32,342	31,935
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,072	1,264
Deferred gains or losses on hedges	-249	-791
Foreign currency translation adjustment	632	505
Remeasurements of defined benefit plans	145	143
Total accumulated other comprehensive income	1,602	1,122
Subscription rights to shares	101	105
Minority interests	477	424
Total net assets	34,524	33,587
Total liabilities and net assets	68,062	69,534

(2) Consolidated quarterly statement of income
(April 1 – December 31, 2014)

	(Millions of yen)	
	Third quarter ended December 31, 2013 (April 1, 2013 - December 31, 2013)	Third quarter ended December 31, 2014 (April 1, 2014 - December 31, 2014)
Net sales	26,264	27,690
Cost of sales	21,253	22,831
Gross profit	5,010	4,859
Selling, general and administrative expenses	6,640	6,308
Operating loss	-1,629	-1,449
Non-operating income		
Dividend income	154	191
Foreign exchange gains	665	914
Share of profit of entities accounted for using equity method	40	—
Rent income	75	94
Other	133	163
Total non-operating income	1,069	1,365
Non-operating expenses		
Interest expenses	83	109
Provision of allowance for doubtful accounts	85	—
Share of loss of entities accounted for using equity method	—	125
Other	136	141
Total non-operating expenses	305	377
Ordinary loss	-865	-461
Extraordinary income		
Gain on sales of investment securities	75	42
Total extraordinary income	75	42
Extraordinary losses		
Loss on sales of investment securities	4	—
Loss on sales of shares of subsidiaries and associates	14	—
Total extraordinary losses	19	—
Loss before income taxes and minority interests	-809	-418
Income taxes	-460	-276
Loss before minority interests	-348	-142
Minority interests in income	99	90
Net loss	-448	-232

Consolidated quarterly statement of comprehensive income
(April 1 – December 31, 2014)

(Millions of yen)

	Third quarter ended December 31, 2013 (April 1, 2013 - December 31, 2013)	Third quarter ended December 31, 2014 (April 1, 2014 - December 31, 2014)
Loss before minority interests	-348	-142
Other comprehensive income		
Valuation difference on available-for-sale securities	645	190
Deferred gains or losses on hedges	-136	-541
Foreign currency translation adjustment	122	-192
Remeasurements of defined benefit plans, net of tax	—	-2
Share of other comprehensive income of entities accounted for using equity method	-2	51
Total other comprehensive income	629	-494
Comprehensive income	280	-636
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	161	-712
Comprehensive income attributable to minority interests	119	75

(3) Note for assumption of going concern

No items to report

(4) Note for significant changes in the amount of shareholders' equity

The Company acquired 600,000 treasury shares upon a resolution by the board of directors of the Company on August 7, 2014. As a result, treasury shares increased by ¥543 million during the third quarter of FY 2014 and to ¥1,498 million at the end of the third quarter of FY2014.

4. Additional information

(1) Orders received and sales

Orders received and sales by demand category

Orders received

(Millions of yen)

	From April 1, 2013 to December 31, 2013		From April 1, 2014 to December 31, 2014		Year-on-year comparison	
Public	12,795	28.3%	9,763	29.0%	-3,032	-23.7%
Private	5,106	11.3%	4,541	13.5%	-565	-11.1%
Overseas	27,258	60.4%	19,352	57.5%	-7,906	-29.0%
Total	45,160	100.0%	33,656	100.0%	-11,504	-25.5%

Sales

(Millions of yen)

	From April 1, 2013 to December 31, 2013		From April 1, 2014 to December 31, 2014		Year-on-year comparison	
Public	4,096	15.6%	4,503	16.3%	407	9.9%
Private	4,233	16.1%	4,552	16.4%	318	7.5%
Overseas	17,934	68.3%	18,634	67.3%	699	3.9%
Total	26,264	100.0%	27,690	100.0%	1,426	5.4%

Orders backlog

(Millions of yen)

	From April 1, 2013 to December 31, 2013		From April 1, 2014 to December 31, 2014		Year-on-year comparison	
Public	14,203	26.2%	12,890	26.8%	-1,313	-9.2%
Private	3,512	6.5%	3,473	7.2%	-39	-1.1%
Overseas	36,522	67.3%	31,807	66.0%	-4,714	-12.9%
Total	54,238	100.0%	48,171	100.0%	-6,067	-11.2%