

Consolidated Financial Results for the FY2016

(April 1st 2016 ~ March 31st 2017)

< May 12 2017 >

TORISHIMA PUMP MFG.CO.,LTD.

Securities Code : 6363

www.torishima.co.jp/en

FY2016 Financial Results

		Billions of yen	YOY	vs. Plan*
● Orders Received	...	43.5	-7.8	+3.5
● Sales	...	44.4	+3.9	-0.6
● Operating Income	...	1.5	+1.1	-0.5
● Ordinary Income	...	1.9	+3.6	+0.2
● Net Income	...	1.5	+3.9	±0

*Announced on 12th May 2016
except for orders received revised on 11th Nov 2016

FY2016 Consolidated Financial Results

- Orders Received decreased mainly due to a sluggish market in the Middle East resulting from a collapse in oil prices.
- Sales increased year-on-year, largely as planned.
- Operating Income increased, however did not reach the plan. Ordinary Income and Net Income increased year-on-year, and achieved the plan.

① Consolidated

	FY2015	FY2016	Increase- Decrease
Orders Received	51.3	43.5	-7.8
Sales	40.5	44.4	+3.9
Gross Operating Income (Gross profit margin)	9.2 (22.7%)	10.5 (23.7%)	+1.3 (+1.0%)
SG&A Expense	-8.8	-9.1	-0.3
Operating Income (Operating profit margin)	0.4 (0.9%)	1.5 (3.3%)	+1.1 (+2.4%)
Non-Operating Profit or Loss	-2.1	+0.4	+2.5
Ordinary Income	-1.7	1.9	+3.6
Extraordinary Profit or Loss	+0.3	+0.1	-0.2
Net Income	-2.4	1.5	+3.9

Average exchange rate(\$)	120.1JPY	108.4JPY
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Billions of yen

FY2015 planned	vs.plan
40.0*	+3.5
45.0	-0.6
—	—
—	—
2.0	-0.5
—	—
1.7	+0.2
—	—
1.5	±0

※ announced on 11th Nov 2016

FY2016 Financial Results

(Non-consolidated / Subsidiaries)

Non-consolidated

- Achieved growth in both sales and profits, earned operating income for the first time since FY2011.
- Improved in both gross profit margin and operating profit margin as planned, however operating income did not reach the plan. This is because the Company set aside provisions for product warranties and provisions for loss on construction contracts (800 million JPY) and provisions for doubtful debts (200 million JPY).

Subsidiaries

- Declined in both sales and profits, however maintained high-margins contributed by some of the after-sales service companies.

② Non-consolidated

Billions of yen

	FY2015	FY2016	YOY
Sales	31.3	36.1	+4.8
Gross operating income (Gross profit margin)	5.1 (16.4%)	6.7 (18.5%)	+1.6 (+2.1%)
SG&A Expense	-6.2	-6.4	-0.2
Operating income (Operating profit margin)	-1.1 (-3.4%)	0.3 (0.8%)	+1.4 (+4.2%)

③ Subsidiaries

Billions of yen

	FY2015	FY2016	YOY
Sales	9.2	8.3	-0.9
Gross operating income (Gross profit margin)	4.1 (44.3%)	3.8 (45.8%)	-0.3 (+1.5%)
SG&A Expense	-2.6	-2.7	-0.1
Operating income (Operating profit margin)	1.5 (15.8%)	1.2 (14.5%)	-0.3 (-1.3%)

* Figure for subsidiaries (③) = figure for consolidated results (①) – figure for non-consolidated results (②)

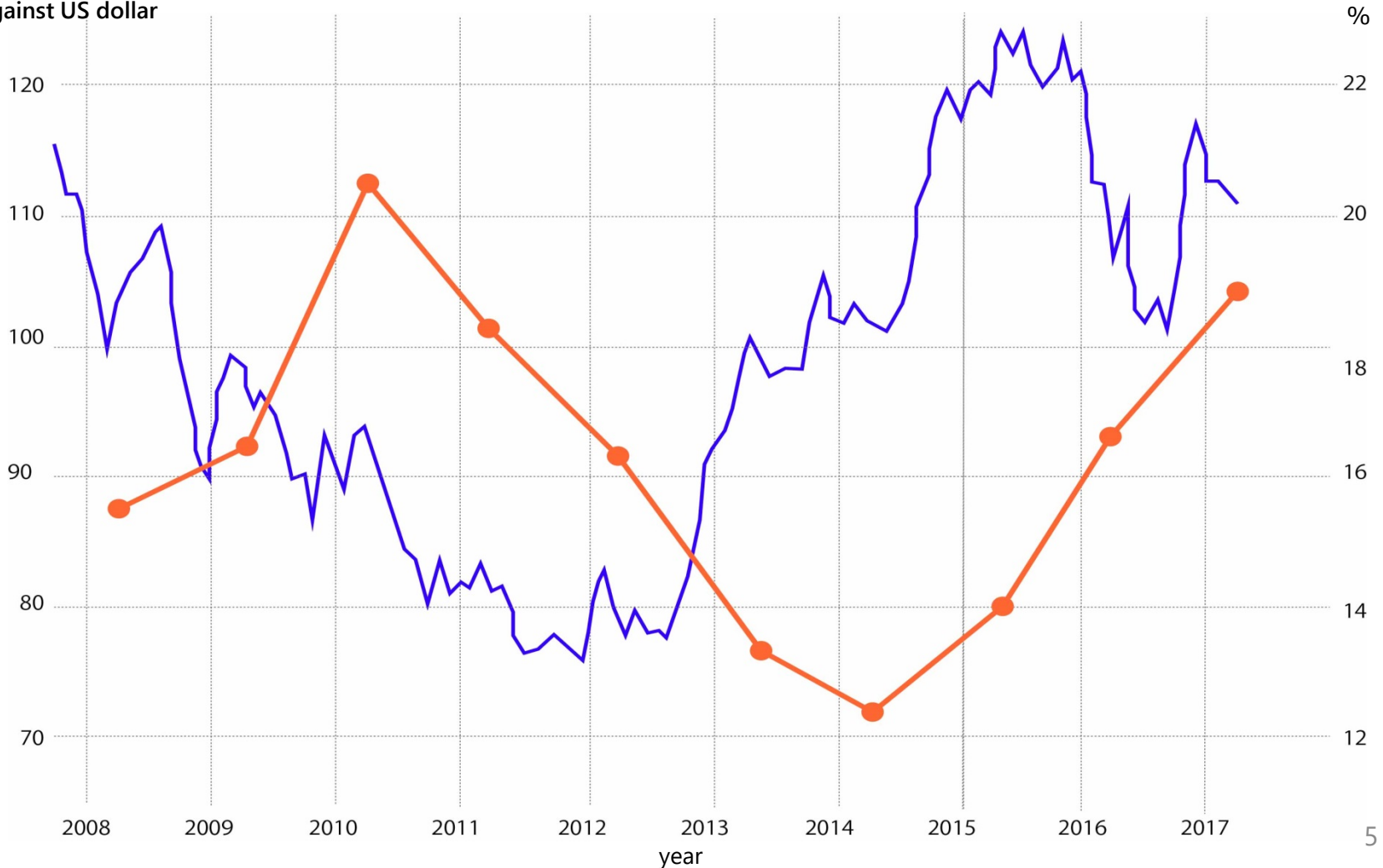
Currency exchange rates and gross profit margin

(Non-consolidated)

improved to **18.5%**
but did not reach the plan(19.5%)

- Yen against US dollar
- Gross profit margin

Yen against US dollar

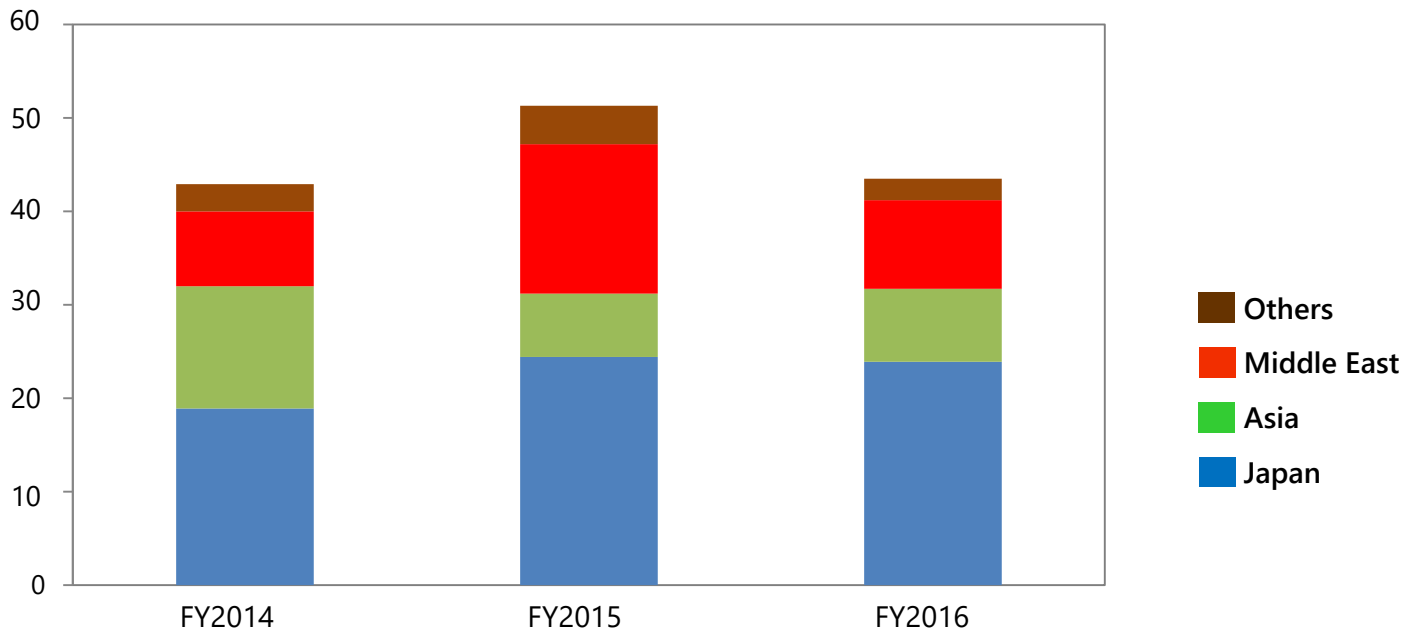


Orders Received breakdown by region

Billions of yen

	Japan	Overseas	Breakdown			Total
			Asia	Middle East	Others	
FY2014	18.9 (44.1%)	24.0 (55.9%)	13.1 (30.5%)	8.0 (18.6%)	2.9 (6.8%)	42.9
FY2015	24.4 (47.6%)	26.9 (52.4%)	6.8 (13.3%)	16.0 (31.2%)	4.1 (8.0%)	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

Billions of yen



FY2017 Outlook (Non-consolidated / Subsidiaries)

Billions of yen

	FY2016 Results	FY2017 Outlook	Increase decrease
Orders Received	43.5	44.0	+0.5
Sales	44.4	44.5	+0.1
Gross operating income (Gross profit margin)	10.5 (23.7%)	10.9 (24.5%)	+0.4 (+0.8%)
SG&A expense	-9.1	-8.9	+0.2
Operating income (Operating profit margin)	1.5 (3.3%)	2.0 (4.5%)	+0.5 (+1.2%)
Non-operating profit or loss	+0.4	+0.5	-0.1
Ordinary income	1.9 (4.2%)	2.5 (5.6%)	+0.6 (+1.4%)
Extraordinary profit or loss	+0.1	0	-0.1
Net income	1.5	1.8	+0.3

FY2017 Outlook

(Non-consolidated / Subsidiaries)

② Non-consolidated

Billions of yen

	FY2016 Results	FY2017 Outlook	YOY
Sales	36.1	36.3	+0.2
Gross operating income (Gross profit margin)	6.7 (18.5%)	6.9 (19.0%)	+0.2 (+0.5%)
SG&A Expense	-6.4	-6.2	+0.2
Operating income (Operating profit margin)	0.3 (0.8%)	0.7 (1.9%)	+0.4

③ Subsidiaries

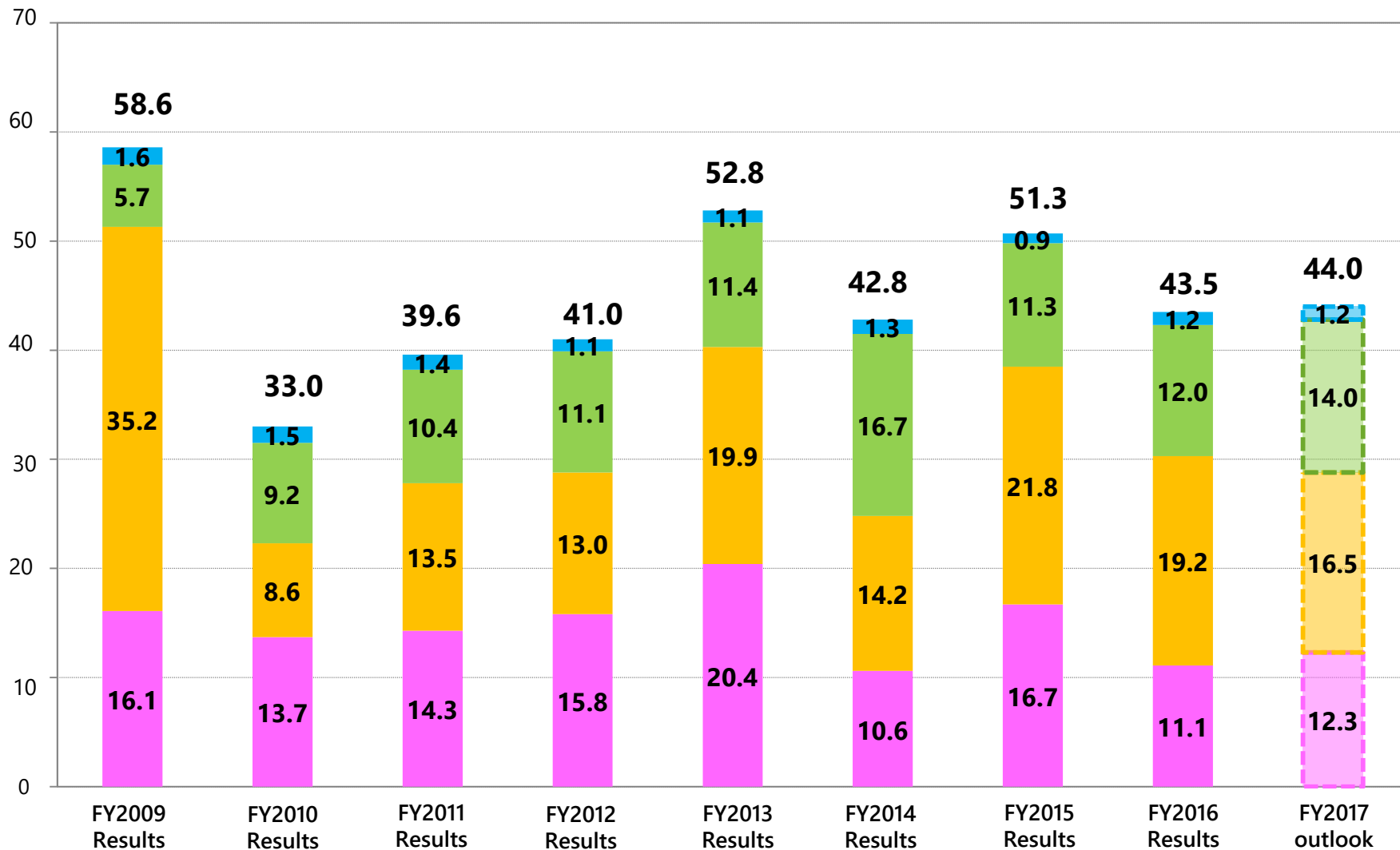
Billions of yen

	FY2016 Results	FY2017 Outlook	YOY
	8.3	8.2	-0.1
	3.8 (45.8%)	4.0 (48.8%)	+0.2
	-2.7	-2.7	±0
	1.2 (14.5%)	1.3 (15.9%)	+0.1

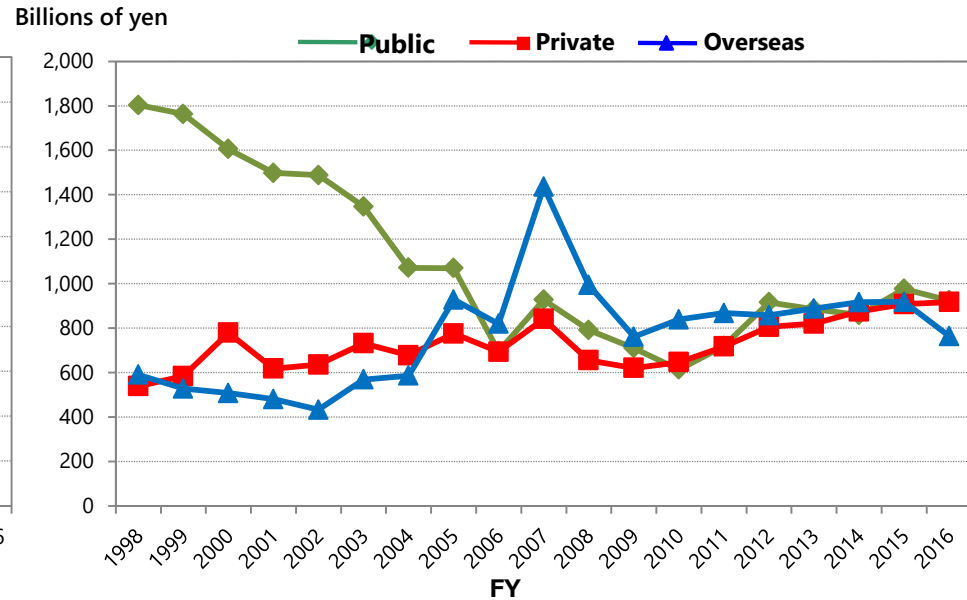
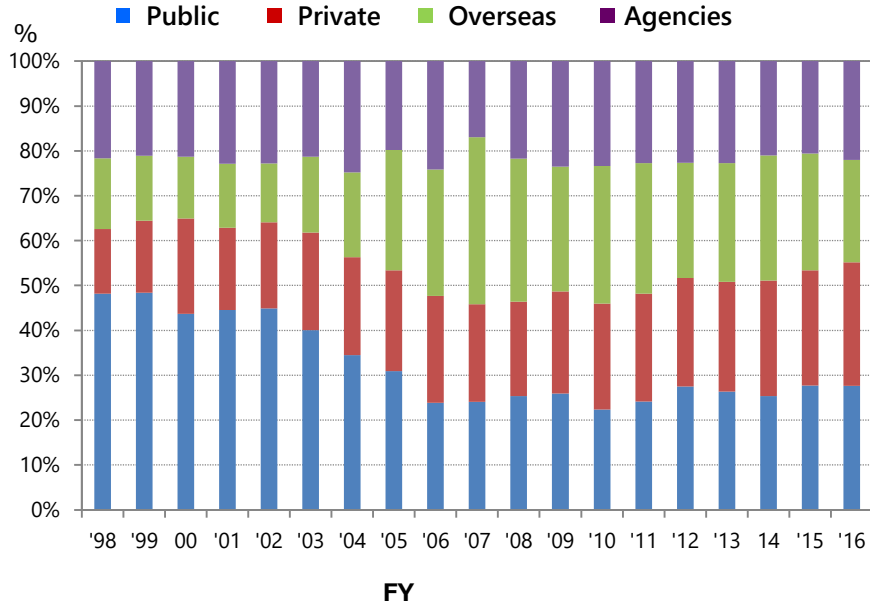
Outlook for Orders by segment

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

Billions of yen



Orders breakdown in the Japanese pump industry



FY		1998	1999	2000	2001	2002	2010	2011	2012	2013	2014	2015	2016	YOY
Public	Amount	180,337	176,337	160,550	149,806	148,831	61,305	71,888	91,545	81,964	85,859	97,600	92,438	-5.3%
	%	48.1	48.4	43.7	44.5	44.9	22.4	24.1	27.5	24.4	25.6	27.7	27.7	—
Private	Amount	53,878	58,396	77,895	61,733	63,572	64,668	71,698	80,560	88,445	87,442	90,775	91,685	+1.0%
	%	14.4	16.0	21.2	18.3	19.2	23.6	24.1	24.2	26.4	26.0	25.7	27.5	—
Overseas	Amount	59,055	52,766	50,737	48,032	43,247	83,883	86,763	85,712	88,787	91,612	91,752	76,357	-16.8%
	%	15.8	14.5	13.8	14.3	13.1	30.6	29.1	25.7	26.5	27.2	26.0	22.9	—
Agencies	Amount	81,143	76,961	78,116	76,978	75,608	64,080	67,712	75,455	76,231	71,510	72,518	73,289	+1.1%
	%	21.7	21.1	21.3	22.9	22.8	23.4	22.7	22.6	22.7	21.2	20.6	22.0	—
Total		374,413	364,460	367,298	336,549	331,258	273,936	298,061	333,281	335,427	336,423	352,645	333,769	-5.4%

2019 Mid and long-term business plan (FY2017 – FY2019)

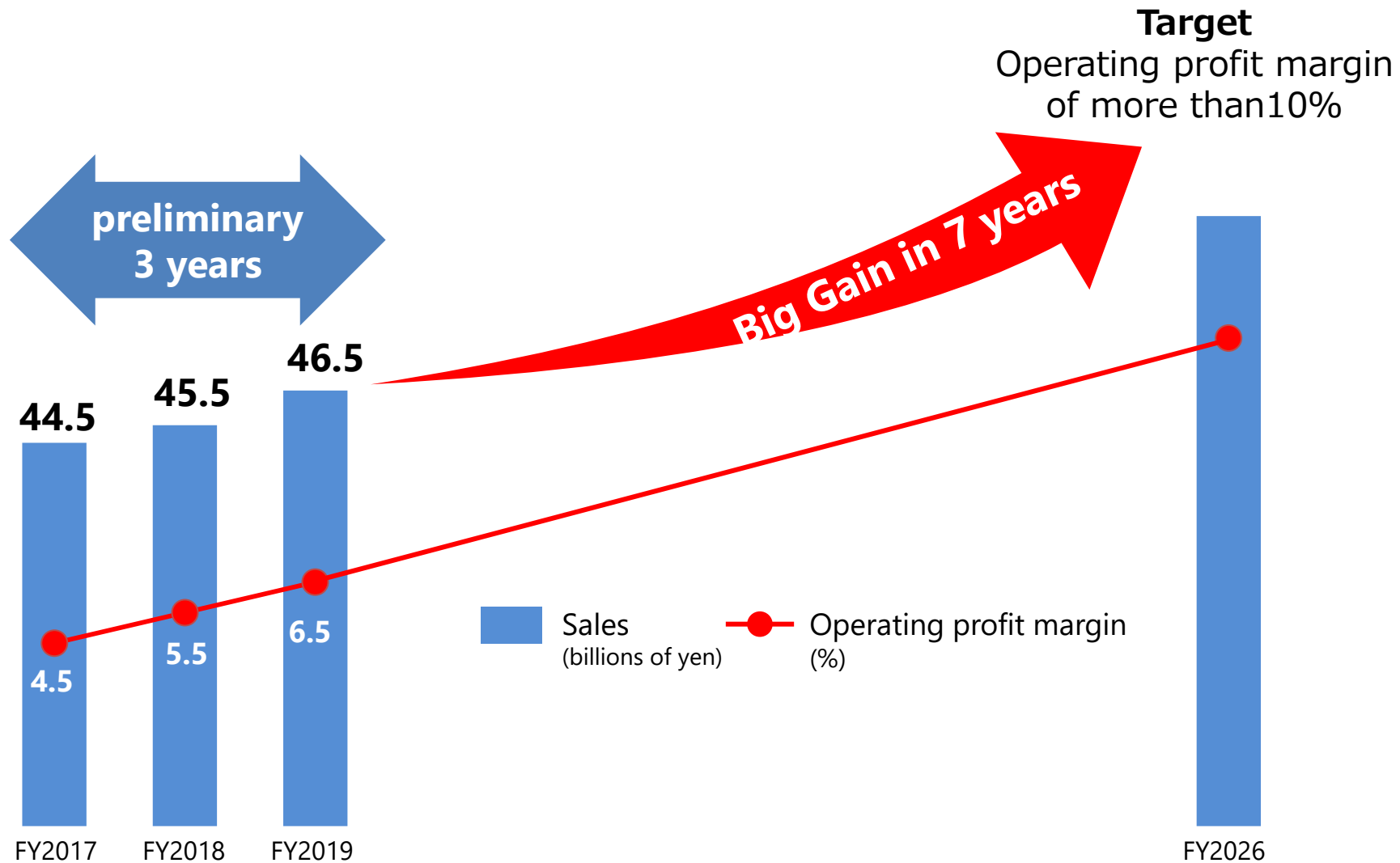
BEYOND 100

To maintain continuous growth beyond the 100th year of our foundation

2019 Mid and long-term business plan

Torishima marks the 100th anniversary of its foundation in FY2019, which falls on the last year of our three year plan.

We will pursue long-term growth beyond our 100th year



Three year plan (FY2017-2019)

	FY2014-FY2016 Results	FY2017-FY2019 Plan
Sales CAGR	▲ 1.1%	+1~3%
Operating profit margin	+3.4%	+6~7%
After-sales service ratio	28%	35%

Three year plan (FY2017-2019)

	FY2016 Results	Three years plan		
		FY2017	FY2018	FY2019
Orders received	43.5	44.0	46.0	50.0
Sales	44.4	44.5	45.5	46.5
Operating income	1.5	2.0	2.5	3.0
Operating profit margin	3.3%	4.5%	5.5%	6.5%

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 note that there is a possibility that the actual results may be different from these predicted results, depending on various factors.

[Inquiries]

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