

**RESULTS OF OPERATIONS FOR
THE FIRST QUARTER ENDED JUNE 30, 2016 (CONSOLIDATED)
(Japanese GAAP)**

August 4, 2016

Listed company name: Torishima Pump Mfg. Co., Ltd.
 Stock exchange listings: First Section of Tokyo Stock Exchange
 Code number: 6363 URL: <http://www.torishima.co.jp>
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 Scheduled date of filing quarterly financial statements: August 10, 2016
 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 the first quarter ended June 30, 2016 (April 1, 2016 through June 30, 2016)

(1) Operating results

Millions of yen, except per share data

	Net sales		Operating income		Ordinary income		Loss attributable to owners of parent	
		%		%		%		%
First quarter ended June 30, 2016	7,773	-3.3	-315	-	-924	-	-1,012	-
First quarter ended June 30, 2015	8,044	9.4	-814	-	-619	-	-346	-

Note: Comprehensive income: (First quarter ended June 30, 2016) ¥ 2,247 million (-%)

(First quarter ended June 30, 2015) ¥ 89 million (-%)

	Net income per share	Net income per share-Diluted
	Yen	Yen
First quarter ended June 30, 2016	-37.08	-
First quarter ended June 30, 2015	-12.61	-

Note: % represents percentage change from a comparable previous period

(2) Financial position

Millions of yen, except per share data

	Total assets	Net assets	Equity ration
			%
June 30, 2016	62,680	30,305	47.4
March 31, 2016	66,198	32,794	48.7

(Reference): Shareholders' equity: (June 30, 2016) ¥ 29,732million (March 31, 2016) ¥ 32,211 million

2. Dividends

	Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Fiscal year end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2015	-	9.00	-	9.00	18.00
FY2016	-				
FY2016 (Forecast)		9.00	-	9.00	18.00

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

Forecast for fiscal year ending March 31, 2017

Millions of yen, except per share data

	Net sales		Operating income		Ordinary income		Loss attributable to owners of parent		Net income per share
		%		%		%		%	Yen
First half	16,000	-10.0	-500	-	-700	-	-500	-	-18.30
Annual	45,000	11.2	2,000	435.9	1,700	-	1,500	-	54.92

Note1: % represents percentage change from a previous year

Note2: Revision of the forecast during this quarter: No

3. Others

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

(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)
(June 30, 2016) 29,889,079 (March 31, 2016) 29,889,079
- ② Number of treasury stock at period end
(June 30, 2016) 2,579,021 (March 31, 2016) 2,581,068
- ③ Weighed-average number of shares outstanding over the period
(April 1 - June 30, 2016) 27,308,523 (April 1 - June 30, 2015) 27,495,022

* 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 for the first quarter of the FY2016

(1) Qualitative information on consolidated results of operations

During the first quarter of the FY 2016, U.S. economy remained a recovery trend buoyed by consumer spending, however, UK's leaving from the European Union, so-called Brexit, brought uncertainties across the Europe. In addition, emerging markets centering on China was sluggish and turmoil in the Middle East wreaked geopolitical risks throughout the world, which resulted in the downward swing in the world economy as a whole.

In Japan, the employment situations were on the uptrend, however, export was stagnate because of that sharp appreciation of the yen against the dollar as well as uncertain world economy restrained export growth. The consumer spending was also slowdown in conjunction with decline in stock prices and slow growth of disposable income.

Under such circumstances, in the pump industry, strong demand continued in energy related fields and for infrastructure projects, particularly for overseas water resources in the long term. However, the market saw severe conditions for order activities in the short term. This is mainly because that decline in oil prices delayed project work, which intensified competition in the world, and that public investment decreased and capital spending for private sectors was restrained with uncertain outlook of the world economy in Japan.

Orders received during the first quarter of FY2016 (April 1, 2016-June 30, 2016) increased by ¥51 million from the same period last year to ¥8,148 million. Orders received from domestic public sector increased by ¥1,938 million from the same period last year to ¥3,710 million, orders received from domestic private sector decreased by ¥79 million from the same period last year to ¥1,930 million and orders received from overseas sector decreased by ¥1,807 million from the same period last year to ¥2,507 million.

Net sales during the first quarter of FY2016 (April 1, 2016-June 30, 2016) decreased by ¥270 million from the same period last year to ¥7,773 million.

Operating loss during the first quarter of FY2016 (April 1, 2016-June 30, 2016) amounted to ¥315 million (operating loss during the same period last year was ¥814 million). Ordinary loss amounted to ¥924 million (ordinary loss during the same period last year was ¥619 million) due to the foreign exchange losses of ¥641 as non-operating expense. Loss attributable to owners of parent amounted to ¥1,012 million (loss attributable to owners of parent during the same period last year was ¥346 million).

(2) Qualitative information on consolidated financial position

At the end of the first quarter (June 30, 2016), the Group's total assets amounted to ¥62,680 million, ¥3,518 million lower than at the end of the previous fiscal year (March 31, 2016). Principal changes in assets items included a decrease in notes and accounts receivable-trade of ¥5,159 million despite of an increase in cash and deposits of ¥1,429 million.

Total liabilities at the end of the first quarter amounted to ¥32,374 million, ¥1,029 million lower than at the end of the previous fiscal year. Principal changes in liabilities items included a decline in notes and accounts payable-trade of ¥770 million.

Net assets at the end of the first quarter amounted to ¥30,305 million, ¥2,488 million lower than at the end of the previous fiscal year. Principal changes in net assets items included a decrease in foreign currency translation adjustment of ¥1,014 million.

(3) Qualitative information on consolidated earnings forecasts

Forecasts for fiscal year ending March 31, 2017 announced on May 11, 2016 have not been changed.

2. Other information

(1) Changes in significant subsidiaries during the first quarter of FY2016 (April 1, 2016-June 30, 2016)

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 first quarter of consolidated FY2016, 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

Changes in Accounting Policies (Application of the Practical Solution on a Change in Depreciation Method due to Tax Reform 2016) Pursuant to an amendment in the Corporation Tax Act, the Company has applied the Practical Solution on a Change in Depreciation Method due to Tax Reform 2016 (Practical Issue Task Force (PITF) No.32 issued on June 17, 2016) from the first quarter of the current fiscal year. Accordingly, the Company changed the depreciation method for facilities attached to buildings and structures acquired on and after April 1, 2016 from the declining-balance method to the straight-line method. The effect of this change in accounting policies to the quarterly consolidated financial statements for the first quarter under review is immaterial.

3. Consolidated quarterly financial statement

(1) Consolidated quarterly balance sheet

(Millions of yen)

	End of previous consolidated fiscal year (March 31, 2016)	End of the first quarter of consolidated FY2016 (June 30, 2016)
Assets		
Current assets		
Cash and deposits	7,243	8,672
Notes and accounts receivable - trade	23,003	17,843
Merchandise and finished goods	266	259
Work in process	6,996	8,975
Raw materials and supplies	2,024	1,928
Advance payments - trade	243	551
Deferred tax assets	512	421
Other	1,597	1,715
Allowance for doubtful accounts	-355	-244
Total current assets	41,532	40,125
Non-current assets		
Property, plant and equipment	10,088	9,931
Intangible assets	2,114	1,991
Investments and other assets		
Investment securities	11,582	9,810
Other	1,245	1,150
Allowance for doubtful accounts	-365	-328
Total investments and other assets	12,462	10,631
Total non-current assets	24,665	22,554
Total assets	66,198	62,680

(Millions of yen)

	End of previous consolidated fiscal year (March 31, 2016)	End of the first quarter of consolidated FY2016 (June 30, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,264	7,494
Short-term loans payable	6,585	4,421
Income taxes payable	195	118
Advances received	3,202	5,502
Provision for bonuses	742	394
Provision for product warranties	654	625
Provision for loss on construction contracts	313	369
Other	2,169	2,771
Total current liabilities	22,128	21,697
Non-current liabilities		
Long-term loans payable	9,724	9,336
Provision for directors' retirement benefits	14	14
Net defined benefit liability	300	299
Other	1,236	1,025
Total non-current liabilities	11,275	10,676
Total liabilities	33,403	32,374
Net assets		
Shareholders' equity		
Capital stock	1,592	1,592
Capital surplus	7,800	7,801
Retained earnings	21,733	20,475
Treasury shares	-1,671	-1,670
Total shareholders' equity	29,455	28,199
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	800	368
Deferred gains or losses on hedges	241	453
Foreign currency translation adjustment	1,523	509
Remeasurements of defined benefit plans	190	201
Total accumulated other comprehensive income	2,755	1,533
Subscription rights to shares	99	102
Non-controlling interests	483	471
Total net assets	32,794	30,305
Total liabilities and net assets	66,198	62,680

(2) Consolidated quarterly statement of (comprehensive) income

Consolidated quarterly statement of income (April 1 – June 30, 2016)

(Millions of yen)

	First quarter ended June 30, 2015 (April 1, 2015 - June 30, 2015)	First quarter ended June 30, 2016 (April 1, 2016 - June 30, 2016)
Net sales	8,044	7,773
Cost of sales	6,829	5,930
Gross profit	1,214	1,843
Selling, general and administrative expenses	2,029	2,159
Operating loss	-814	-315
Non-operating income		
Dividend income	104	88
Rent income	34	35
Gain on redemption of investment securities	300	—
Other	38	69
Total non-operating income	477	193
Non-operating expenses		
Interest expenses	35	34
Foreign exchange losses	90	641
Share of loss of entities accounted for using equity method	134	104
Other	20	23
Total non-operating expenses	281	803
Ordinary loss	-619	-924
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	201	—
Total extraordinary income	201	—
Extraordinary losses		
Loss on sales of investment securities	86	—
Loss on valuation of investment securities	—	41
Total extraordinary losses	86	41
Loss before income taxes	-504	-966
Income taxes	-93	20
Loss	-410	-987
Profit (loss) attributable to non-controlling interests	-63	25
Loss attributable to owners of parent	-346	-1,012

Consolidated quarterly statement of comprehensive income (April 1 – June 30, 2016)

(Millions of yen)

	First quarter ended June 30, 2015 (April 1, 2015 - June 30, 2015)	First quarter ended June 30, 2016 (April 1, 2016 - June 30, 2016)
Loss	-410	-987
Other comprehensive income		
Valuation difference on available-for-sale securities	664	-431
Deferred gains or losses on hedges	109	212
Foreign currency translation adjustment	-252	-830
Remeasurements of defined benefit plans, net of tax	-13	10
Share of other comprehensive income of entities accounted for using equity method	-8	-220
Total other comprehensive income	499	-1,260
Comprehensive income	89	-2,247
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	165	-2,235
Comprehensive income attributable to non-controlling interests	-76	-11

(3) Note for assumption of going concern

No items to report

Note for significant changes in the amount of shareholders' equity

No items to report

4. Additional information

(1) Orders received and sales

Orders received and sales by demand category

Orders received

(Millions of yen)

	From April 1, 2015 to June 30, 2015		From April 1, 2016 to June 30, 2016		Year-on-year comparison	
Public	1,772	21.9%	3,710	45.5%	1,938	109.4%
Private	2,010	24.8%	1,930	23.7%	-79	-4.0%
Overseas	4,314	53.3%	2,507	30.8%	-1,807	-41.9%
Total	8,096	100.0%	8,148	100.0%	51	0.6%

Sales

(Millions of yen)

	From April 1, 2015 to June 30, 2015		From April 1, 2016 to June 30, 2016		Year-on-year comparison	
Public	1,200	14.9%	1,351	17.4%	150	12.5%
Private	1,688	21.0%	1,970	25.3%	281	16.7%
Overseas	5,154	64.1%	4,451	57.3%	-703	-13.6%
Total	8,044	100%	7,773	100%	-270	-3.4%

Orders backlog

(Millions of yen)

	As of June 30, 2015		As of June 30, 2016		Year-on-year comparison	
Public	7,246	18.8%	15,066	30.2%	7,820	107.9%
Private	4,603	11.9%	5,559	11.2%	956	20.8%
Overseas	26,785	69.3%	29,156	58.6%	2,371	8.9%
Total	38,634	100%	49,783	100%	11,148	28.9%