RESULTS OF OPERATIONS FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2015 (CONSOLIDATED) (Japanese GAAP)

November 11, 2015

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
Representative: Kotaro Harada, President
Contact person: Koichi Otao, Executive Officer, General Manager of Accounting Department
Phone: +81-72-695-0551
Scheduled date of filing quarterly financial statements: November 13, 2015
Scheduled date of starting dividend payment: December 7, 2015
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 second quarter ended Sept. 30, 2015 (April 1, 2015 through Sept. 30, 2015)

(1) Operating results

Millions of yen, except per share data

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
		%		%		%		%
Second quarter ended Sept. 30, 2015	17,775	-0.0	-652	-	-880	-	-415	-
Second quarter ended Sept. 30, 2014	17,946	0.7	-1,034	-	-845	-	-561	-

Note1: Comprehensive income: (Second quarter ended Sept. 30, 2015) -363 million yen (-%)
(Second quarter ended Sept. 30, 2014) -898 million yen (-%)

Note2: % represents percentage change from a comparable previous period

	Net income per share	Net income per share-Diluted
	Yen	Yen
Second quarter ended Sept. 30, 2015	-15.10	-
Second quarter ended Sept. 30, 2014	-20.08	-

(2) Financial position

Millions of yen, except per share data

	Total assets	Net assets	Equity ratio
			%
September 30, 2015	66,083	35,965	53.6
March 31, 2015	71,987	36,532	50.0

(Reference): Shareholders' equity: (Sept. 30, 2015)¥ 35,409million (March 31, 2015)¥ 35,959 million

2. Dividends

	Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Fiscal year end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2014	-	9.00	-	9.00	18.00
FY2015	-	9.00			
FY2015 (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 attributable to owners of parent		Net income per share
		%		%		%		%	Yen
Annual	43,000	-7.5	1,000	149.8	1,400	76.5	1,000	146.6	36.34

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

(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)

(Sept. 30, 2015) 29,889,079 (March 31, 2015) 29,889,079

② Number of treasury stock at period end

(Sept. 30, 2015) 2,370,875 (March 31, 2015) 2,401,805

③ Weighed-average number of shares outstanding over the period

(April 1 – Sept. 30, 2015) 27,504,974 (April 1 – Sept. 30, 2014) 27,953,142

-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.

Contents

1. Qualitative information for the second quarter of the FY2015
(1) Qualitative information on consolidated results of operations ---------- 4
(2) Qualitative information on consolidated financial position ---------- 5
(3) Qualitative information on consolidated earnings forecasts ---------- 5

2. Other information
(1) Changes in significant subsidiaries during this period ---------- 5
(2) Adoption of special accounting methods for presenting quarterly consolidated financial statements ---------- 5
(3) Changes in accounting principles, accounting estimates and correction of prior period errors ---------- 5

3. Consolidated quarterly financial statement
(1) Consolidated quarterly balance sheet ---------- 6
(2) Consolidated quarterly statement of income (April 1 – September 30, 2015) ---------- 8
Consolidated quarterly statement of comprehensive income (April 1 – September 30, 2015) ---------- 9
(3) Note for assumption of going concern ---------- 10
(4) Note for significant changes in the amount of shareholders' equity ---------- 10

4. Additional information
(1) Orders received and sales ---------- 10

1. Qualitative information for the second quarter of the FY2015

(1) Qualitative information on consolidated results of operations

During the first half of the FY2015, in the U.S., the economic environment remained a strong trend with solid consumer spending despite sluggish export and manufacturing due to the appreciation of the US dollar and downfall in crude oil price. However, the economy has also been seeing uncertainties amid the stock market turbulence resulting from concerns about economic growth in emerging countries centering on China and increasing signs of reduction of quantitative monetary easing.

In Europe, although the exports to outside EU steadily grew with the weak Euro, refugee crisis from Syria and government debt problems decelerated economic recovery as a whole.
In emerging countries centering on China, economic growth was sluggish in several countries, leading to the uncertain outlook as the world stock prices has declined.

In Japan, the economic condition was not completely recovered from the following reasons: Although the Nikkei Stock Average recovered to 20,000 yen-level driven by strong corporate earnings, it plummeted to 17,000 yen due to declines in global stock prices triggered by the Chinese and the US stock markets; the capital investment has been slowdown due to uncertainties over the global economy; the export has not grown as expected due to relatively week competitiveness compared to emerging countries; the consumer spending has not bounced back enough after the consumption tax increase.

The pump manufacturing industry remained steady demand for water- and energy-related sector in overseas and for maintenance work in aging infrastructure facilities in Japan. However competition for orders in the industry continued to be severe due to the uncertain global economy.

Orders received during the second quarter of the FY2015 (April 1, 2015-Sept. 30, 2015) increased by ¥9,715 million from the same period last year to ¥31,069 million. Orders received from domestic public sector decreased by ¥52 million from the same period last year to ¥6,849 million, orders received from domestic private sector increased by ¥948 million from the same period last year to ¥3,874 million and orders received from overseas sector increased by ¥8,819 million from the same period last year to ¥20,345 million.

Net sales during the second quarter of FY2015 (April 1, 2015-Sept. 30, 2015) decreased by ¥171 million from the same period last year to ¥17,775 million.

Operating loss during the second quarter of the FY2015 (April 1, 2015-Sept. 30, 2015) amounted to ¥652 million (operating losses during the same period last year were ¥1,034 million). The ratio of operating income to net sales amounted to -3.7%.
Ordinary loss amounted to ¥880 million (ordinary loss during the same period last year were ¥845 million) due to the recording of ¥516 million in Foreign exchange losses as non-operating expenses despite the recording of ¥300 million in Gain on redemption of investment securities as non-operating income. The ratio of ordinary income to net sales amounted to -5.0%.
Net loss amounted to ¥415 million (net loss during the same period last year was ¥561 million). The ratio of net income to net sales amounted to -2.3%. Net loss per share amounted to ¥15.10.
From the first quarter under review, the Group is applying the Accounting Standard for Business Combinations (ASBJ Statement No. 21; September 13, 2013) etc. Under the accounting standard applied, net loss is presented as “loss attributable to owners of parent.”

(2) Qualitative information on consolidated financial position

At the end of the second quarter (Sep. 30, 2015), the Group's total assets amounted to ¥66,083 million, ¥5,904 million lower than at the end of the previous fiscal year (March 31, 2015). Principal changes in asset items included a decline in notes and accounts receivable-trade of ¥6,495 million.

Total liabilities at the end of the second quarter amounted to ¥30,117 million, ¥5,337 million lower than at the end of the previous fiscal year. Principal changes in liability items included a decline in notes and accounts payable-trade of ¥4,629 million despite an increase in long-term loans payable of ¥1,084 million.
Net assets at the end of the second quarter amounted to ¥35,965 million, ¥566 million lower than at the end of the previous fiscal year.

(3) Qualitative information on consolidated earnings forecasts
Forecasts for the fiscal year ending March 31, 2016 announced on May 12, 2015 have not been changed.

2. Other information

(1) Changes in significant subsidiaries during the second quarter of the FY2015 (July 1, 2015-Sept. 30, 2015)
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 second quarter of consolidated FY2015, 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 Business Combinations, etc.
Effective April 1, 2015, the Company has applied "Accounting Standard for Business Combinations" (Accounting Standards Board of Japan (ASBJ) Statement No. 21 issued on September 13, 2013), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22 issued on September 13, 2013) and "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7 issues on September 13, 2013). As a result, the accounting method was changed to record the difference arising from changes in the equity in subsidiaries under ongoing control of the Company as capital surplus, and acquisition-related costs as expenses for the fiscal year in which they are incurred. In addition, with respect to any business combination entered into on or after the first day of the first quarter under review, the accounting method was changed to reflect adjustments to the allocation of acquisition cost under provisional accounting treatment on the consolidated financial statements of the quarterly financial period in which the relevant business combinations became or will become effective. Furthermore, the presentation of quarterly net income, etc., was changed, and "minority interests" was changed to "non-controlling interests." In order to reflect the changes in the presentation, certain reclassifications have been made to the quarterly consolidated financial statements with respect to the second quarter of the previous fiscal year.

The Company has applied the Accounting Standard for Business Combinations, etc. in accordance with transitional provisions in paragraph 58-2(4) of the Accounting Standard for Business Combinations, paragraph 44-5(4) of the Accounting Standard for Consolidated Financial Statements and paragraph 57-4(4) of the Accounting Standard for Business Divestitures, prospectively on April 1, 2015.
As a result, operating loss and ordinary loss during the second quarter under review increased ¥0 million respectively. Net loss before income taxes and minority interests decreased by ¥39 million. Capital surplus at the end of the second quarter under review decreased by ¥38 million

3. Consolidated quarterly financial statement

(1) Consolidated quarterly balance sheet

(Millions of yen)

	End of previous consolidated fiscal year (March 31, 2015)	End of the second quarter of consolidated FY2015 (September 30, 2015)
Assets		
Current assets		
Cash and deposits	4,439	6,095
Notes and accounts receivable - trade	26,616	20,120
Merchandise and finished goods	248	267
Work in process	6,655	7,279
Raw materials and supplies	1,934	2,007
Advance payments - trade	812	223
Deferred tax assets	905	1,118
Other	1,376	1,192
Allowance for doubtful accounts	-84	-171
Total current assets	42,904	38,132
Non-current assets		
Property, plant and equipment	10,611	10,289
Intangible assets	2,295	2,224
Investments and other assets		
Investment securities	14,323	13,676
Other	2,075	1,979
Allowance for doubtful accounts	-223	-219
Total investments and other assets	16,175	15,436
Total non-current assets	29,082	27,950
Total assets	71,987	66,083

(Millions of yen)

	End of previous consolidated fiscal year (March 31, 2015)	End of the second quarter of consolidated FY2015 (September 30, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,110	5,481
Short-term loans payable	8,356	6,778
Income taxes payable	111	170
Advances received	1,812	2,604
Provision for bonuses	683	723
Provision for product warranties	636	524
Provision for loss on construction contracts	436	312
Other	2,994	2,286
Total current liabilities	25,140	18,882
Non-current liabilities		
Long-term loans payable	8,782	9,866
Provision for directors' retirement benefits	12	14
Net defined benefit liability	249	257
Other	1,270	1,095
Total non-current liabilities	10,314	11,234
Total liabilities	35,454	30,117
Net assets		
Shareholders' equity		
Capital stock	1,592	1,592
Capital surplus	7,828	7,800
Retained earnings	24,650	23,987
Treasury shares	-1,499	-1,479
Total shareholders' equity	32,573	31,901
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,614	1,457
Deferred gains or losses on hedges	-456	-142
Foreign currency translation adjustment	1,503	1,514
Remeasurements of defined benefit plans	725	697
Total accumulated other comprehensive income	3,386	3,527
Subscription rights to shares	109	89
Non-controlling interests	463	446
Total net assets	36,532	35,965
Total liabilities and net assets	71,987	66,083

(2) Consolidated quarterly statement of (comprehensive) income

Consolidated quarterly statement of income (April 1 – September 30, 2015)

(Millions of yen)

	Second quarter ended September 30, 2014 (April 1, 2014 - September 30, 2014)	Second quater ended September 30, 2015 (April 1, 2015 - September 30, 2015)
Net sales	17,946	17,775
Cost of sales	14,763	14,184
Gross profit	3,183	3,590
Selling, general and administrative expenses	4,217	4,242
Operating loss	-1,034	-652
Non-operating income		
Interest income	16	17
Dividend income	126	105
Foreign exchange gains	87	—
Gain on redemption of investment securities	—	300
Rent income	62	69
Other	138	60
Total non-operating income	430	553
Non-operating expenses		
Interest expenses	70	72
Foreign exchange losses	—	516
Share of loss of entities accounted for using equity method	98	96
Other	72	96
Total non-operating expenses	241	781
Ordinary loss	-845	-880
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
Total extraordinary losses	—	86
Loss before income taxes and minority interests	-845	-765
Income taxes	-368	-257
Loss	-477	-507
Profit (loss) attributable to non-controlling interests	84	-92
Loss attributable to owners of parent	-561	-415

Consolidated quarterly statement of comprehensive income (April 1 – September 30, 2015)

(Millions of yen)

	Second quarter ended September 30, 2014 (April 1, 2014 - September 30, 2014)	Second quarter ended September 30, 2015 (April 1, 2015 - September 30, 2015)
Loss	-477	-507
Other comprehensive income		
Valuation difference on available-for-sale securities	135	-156
Deferred gains or losses on hedges	-35	314
Foreign currency translation adjustment	-365	-13
Remeasurements of defined benefit plans, net of tax	-1	-27
Share of other comprehensive income of entities accounted for using equity method	-154	25
Total other comprehensive income	-421	143
Comprehensive income	-898	-363
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	-958	-273
Comprehensive income attributable to non-controlling interests	60	-90

(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, 2014 to September 30, 2014		From April 1, 2015 to September 30, 2015		Year-on-year comparison	
Public	6,902	32.3 %	6,849	22.0%	- 52	-0.8 %
Private	2,925	13.7 %	3,874	12.5%	948	32.4 %
Overseas	11,526	54.0 %	20,345	65.5%	8,819	76.5 %
Total	21,354	100.0%	31,069	100.0%	9,715	45.5 %

Sales (Millions of yen)

	From April 1, 2014 to September 30, 2014		From April 1, 2015 to September 30, 2015		Year-on-year comparison	
Public	2,857	15.9 %	2,520	14,2%	-337	-11.8 %
Private	3,038	16.9 %	3,538	19,9%	499	16.5 %
Overseas	12,050	67.2 %	11,716	65.9%	- 334	-2.8 %
Total	17,946	100.0%	17,775	100.0%	-171	-1.0 %

Orders backlog (Millions of yen)

	As of September 30, 2014		As of September 30, 2015		Year-on-year comparison	
Public	11,676	25.6%	11,004	21.2%	-672	-5.8 %
Private	3,371	7.4%	4,617	8.9%	1,245	37.0%
Overseas	30,565	67.0%	36,254	69.9%	5,689	18.6%
Total	45,613	100.0%	51,876	100.0%	6,263	13.7%