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Consolidated Financial Results for the Nine Months Ended July 31, 2021 [Japanese GAAP]

September 13, 2021

Company name: TORQ Inc.
 Stock exchange listing: Tokyo
 Code number: 8077
 URL: <https://www.torq.co.jp>
 Representative: Higaki Toshiyuki, President
 Contact: Haruta Hisashi, General Manager, Administration Department
 Phone: 06-6535-3690
 Scheduled date of filing quarterly securities report: September 14, 2021
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: No
 Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Nine Months Ended July 31, 2021 (November 01, 2020 to July 31, 2021)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended July 31, 2021	14,076	(1.6)	18	3,664.7	133	(7.2)	54	(14.3)
July 31, 2020	14,301	(14.1)	0	(99.9)	144	(70.4)	63	(80.9)

(Note) Comprehensive income: Nine months ended July 31, 2021: ¥ (295) million [-%]
 Nine months ended July 31, 2020: ¥ (879) million [-%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
July 31, 2021	2.19	-
July 31, 2020	2.52	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
July 31, 2021	27,603	10,169	36.8
October 31, 2020	24,299	10,607	43.7

(Reference) Equity: As of July 31, 2021: ¥ 10,169 million
 As of October 31, 2020: ¥ 10,607 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended October 31, 2020	-	3.00	-	3.00	6.00
Fiscal year ending October 31, 2021	-	3.00	-		
Fiscal year ending October 31, 2021 (Forecast)				3.00	6.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending October 31, 2021(November 01, 2020 to October 31, 2021)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	18,300	(3.4)	(100)	-	40	119.8	(15)	-	(0.61)

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the nine months ended July 31, 2021

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

July 31, 2021: 28,007,448 shares

October 31, 2020: 28,007,448 shares

2) Total number of treasury shares at the end of the period:

July 31, 2021: 3,253,212 shares

October 31, 2020: 3,253,212 shares

3) Average number of shares during the period:

Nine months ended July 31, 2021: 24,754,236 shares

Nine months ended July 31, 2020: 25,126,484 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of October 31,2020	As of July 31,2021
Assets		
Current assets		
Cash and deposits	1,956,474	1,842,592
Notes and accounts receivable - trade	6,366,652	6,650,581
Securities	86,248	336,545
Merchandise	3,744,172	4,156,303
Other	88,587	87,430
Allowance for doubtful accounts	(10,628)	(7,571)
Total current assets	12,231,507	13,065,879
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	618,632	599,485
Machinery, equipment and vehicles, net	225,304	256,047
Land	4,476,806	4,476,806
Construction in progress	723,379	3,156,813
Other, net	138,397	121,726
Total property, plant and equipment	6,182,520	8,610,880
Intangible assets	102,600	113,735
Investments and other assets		
Investment securities	5,096,086	5,337,128
Distressed receivables	10,288	8,859
Other	686,539	475,914
Allowance for doubtful accounts	(10,288)	(8,859)
Total investments and other assets	5,782,626	5,813,042
Total non-current assets	12,067,747	14,537,658
Total assets	24,299,254	27,603,538

(Thousand yen)

	As of October 31,2020	As of July 31,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,645,801	4,067,256
Short-term borrowings	6,900,000	4,880,000
Current portion of long-term borrowings	200,000	93,318
Provision for bonuses	121,122	55,746
Other	475,312	643,183
Total current liabilities	11,342,236	9,739,504
Non-current liabilities		
Long-term borrowings	1,100,000	6,604,681
Deferred tax liabilities	1,044,278	889,081
Retirement benefit liability	198,114	196,745
Long-term guarantee deposits	6,500	4,500
Other	610	-
Total non-current liabilities	2,349,503	7,695,007
Total liabilities	13,691,739	17,434,512
Net assets		
Shareholders' equity		
Share capital	2,712,335	2,712,335
Capital surplus	1,728,146	1,728,146
Retained earnings	4,500,948	4,407,735
Treasury shares	(956,101)	(956,101)
Total shareholders' equity	7,985,329	7,892,116
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,581,848	2,243,145
Remeasurements of defined benefit plans	40,337	33,763
Total accumulated other comprehensive income	2,622,186	2,276,909
Total net assets	10,607,515	10,169,026
Total liabilities and net assets	24,299,254	27,603,538

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the nine months)

(Thousand yen)

	For the nine months ended July 31,2020	For the nine months ended July 31,2021
Net sales	14,301,550	14,076,481
Cost of sales	11,343,932	11,171,214
Gross profit	2,957,617	2,905,267
Selling, general and administrative expenses	2,957,135	2,887,113
Operating profit	482	18,153
Non-operating income		
Dividend income	104,144	79,393
Rental income	10,878	10,565
Purchase discounts	60,092	55,353
Gain on investments in securities	282	29,884
Other	21,967	10,134
Total non-operating income	197,365	185,332
Non-operating expenses		
Interest expenses	21,907	32,473
Sales discounts	26,478	27,515
Other	5,314	9,674
Total non-operating expenses	53,700	69,663
Ordinary profit	144,147	133,822
Extraordinary income		
Gain on sales of investment securities	0	45
Total extraordinary income	0	45
Extraordinary losses		
Loss on valuation of investment securities	28,014	-
Total extraordinary losses	28,014	-
Profit before income taxes	116,133	133,868
Income taxes - current	49,458	69,736
Income taxes - deferred	3,480	9,978
Total income taxes	52,939	79,714
Profit	63,194	54,153
Profit attributable to owners of parent	63,194	54,153

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Thousand yen)

	For the nine months ended July 31,2020	For the nine months ended July 31,2021
Profit	63,194	54,153
Other comprehensive income		
Valuation difference on available-for-sale securities	(932,816)	(343,412)
Remeasurements of defined benefit plans, net of tax	(10,020)	(6,574)
Total other comprehensive income	(942,837)	(349,986)
Comprehensive income	(879,643)	(295,832)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(879,643)	(295,832)