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## Consolidated Financial Results for the Three Months Ended January 31, 2022 [Japanese GAAP]

March 16, 2022

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: March 17, 2022  
 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 Three Months Ended January 31, 2022 (November 01, 2021 to January 31, 2022)

#### (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	%
Three months ended January 31, 2022	4,948	10.1	127	-	123	-	66	-
January 31, 2021	4,493	(10.9)	(23)	(153.3)	2	(97.3)	(10)	(122.9)

(Note) Comprehensive income: Three months ended January 31, 2022: ¥ 115 million [ -%]  
 Three months ended January 31, 2021: ¥ (11) million [ -%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended January 31, 2022	2.67	-
January 31, 2021	(0.42)	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of January 31, 2022	29,380	10,657	36.3
October 31, 2021	28,439	10,615	37.3

(Reference) Equity: As of January 31, 2022: ¥ 10,657 million  
 As of October 31, 2021: ¥ 10,615 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, 2021	-	3.00	-	3.00	6.00
Fiscal year ending October 31, 2022	-				
Fiscal year ending October 31, 2022 (Forecast)		3.00	-	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, 2022(November 01, 2021 to October 31, 2022)

(% 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
Six months ended April 30, 2022	10,230	10.2	98	-	191	796.1	138	-	5.57
Full year	20,793	8.0	186	17.5	361	(8.6)	255	(1.5)	10.30

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

\* Notes:

(1) Changes in significant subsidiaries during the three months ended January 31, 2022

(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: Yes

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):

January 31, 2022: 28,007,448 shares

October 31, 2021: 28,007,448 shares

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

January 31, 2022: 3,253,232 shares

October 31, 2021: 3,253,212 shares

3) Average number of shares during the period:

Three months ended January 31, 2022: 24,754,227 shares

Three months ended January 31, 2021: 24,754,236 shares

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of October 31,2021	As of January 31,2022
<b>Assets</b>		
Current assets		
Cash and deposits	1,967,621	1,693,062
Notes and accounts receivable - trade	5,549,822	5,201,766
Electronically recorded monetary claims - operating	1,620,603	1,805,676
Securities	398,535	388,701
Merchandise	3,963,875	4,368,467
Other	46,640	109,823
Allowance for doubtful accounts	(7,845)	(7,404)
Total current assets	13,539,254	13,560,093
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	589,818	580,533
Machinery, equipment and vehicles, net	241,624	230,189
Land	4,476,806	4,476,806
Construction in progress	3,168,649	3,651,903
Other, net	114,422	109,656
Total property, plant and equipment	8,591,320	9,049,089
Intangible assets	107,992	119,474
Investments and other assets		
Investment securities	5,671,255	6,130,235
Distressed receivables	206	633
Other	529,752	521,724
Allowance for doubtful accounts	(206)	(633)
Total investments and other assets	6,201,007	6,651,960
Total non-current assets	14,900,320	15,820,523
<b>Total assets</b>	<b>28,439,574</b>	<b>29,380,616</b>

(Thousand yen)

	As of October 31,2021	As of January 31,2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,135,353	4,231,354
Short-term borrowings	4,850,000	5,050,000
Current portion of long-term borrowings	186,637	314,612
Provision for bonuses	141,553	62,568
Other	800,138	726,458
Total current liabilities	10,113,682	10,384,993
Non-current liabilities		
Long-term borrowings	6,511,362	7,076,387
Deferred tax liabilities	1,002,785	1,063,739
Retirement benefit liability	191,324	193,794
Long-term guarantee deposits	4,500	4,500
Total non-current liabilities	7,709,973	8,338,421
<b>Total liabilities</b>	<b>17,823,655</b>	<b>18,723,415</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,712,335	2,712,335
Capital surplus	1,728,146	1,728,146
Retained earnings	4,612,530	4,604,332
Treasury shares	(956,101)	(956,105)
Total shareholders' equity	8,096,910	8,088,709
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,444,915	2,500,814
Remeasurements of defined benefit plans	74,093	67,677
Total accumulated other comprehensive income	2,519,008	2,568,492
<b>Total net assets</b>	<b>10,615,919</b>	<b>10,657,201</b>
<b>Total liabilities and net assets</b>	<b>28,439,574</b>	<b>29,380,616</b>

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

(Thousand yen)

	For the three months ended January 31,2021	For the three months ended January 31,2022
Net sales	4,493,147	4,948,435
Cost of sales	3,536,170	3,857,261
Gross profit	956,977	1,091,173
Selling, general and administrative expenses	980,195	964,091
Operating profit (loss)	(23,218)	127,081
Non-operating income		
Dividend income	8,239	14,564
Rental income	3,340	3,612
Purchase discounts	18,828	20,642
Gain on investments in securities	13,765	-
Other	4,296	4,825
Total non-operating income	48,470	43,645
Non-operating expenses		
Interest expenses	9,155	13,306
Sales discounts	9,139	-
Loss on investments in securities	-	34,004
Other	4,721	156
Total non-operating expenses	23,016	47,467
Ordinary profit	2,236	123,259
Extraordinary income		
Gain on sale of investment securities	45	1,550
Total extraordinary income	45	1,550
Profit before income taxes	2,281	124,810
Income taxes - current	18,841	16,365
Income taxes - deferred	(6,136)	42,379
Total income taxes	12,704	58,745
Profit (loss)	(10,422)	66,065
Profit (loss) attributable to owners of parent	(10,422)	66,065

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

(Thousand yen)

	For the three months ended January 31,2021	For the three months ended January 31,2022
Profit (loss)	(10,422)	66,065
Other comprehensive income		
Valuation difference on available-for-sale securities	1,262	55,899
Remeasurements of defined benefit plans, net of tax	(2,191)	(6,416)
Total other comprehensive income	(928)	49,483
Comprehensive income	(11,351)	115,548
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(11,351)	115,548