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## Consolidated Financial Results for the Six Months Ended April 30, 2022 [Japanese GAAP]

June 13, 2022

Company name: TORQ Inc.  
 Stock exchange listing: Tokyo  
 Code number: 8077  
 URL: <https://www.torq.co.jp>  
 Representative: Higaki Toshiyuki, President  
 Contact: Shigaki Takashi, General Manager, Administration Department  
 Phone: 06-6535-3690  
 Scheduled date of filing quarterly securities report: June 14, 2022  
 Scheduled date of commencing dividend payments: July 14, 2022  
 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 Six Months Ended April 30, 2022 (November 01, 2021 to April 30, 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	%
Six months ended April 30, 2022	9,928	6.9	136	-	228	973.9	147	-
April 30, 2021	9,286	(6.1)	(77)	-	21	(84.8)	(22)	-

(Note) Comprehensive income: Six months ended April 30, 2022: ¥ (63) million [ -%]  
 Six months ended April 30, 2021: ¥ (80) million [ -%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended April 30, 2022	5.94		-	
April 30, 2021	(0.90)		-	

#### (2) Consolidated Financial Position

	Total assets		Net assets		Capital adequacy ratio	
	Million yen		Million yen		%	
As of April 30, 2022	30,265		10,487		34.6	
October 31, 2021	28,439		10,615		37.3	

(Reference) Equity: As of April 30, 2022: ¥ 10,487 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	-	3.00			
Fiscal year ending October 31, 2022 (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, 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
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 six months ended April 30, 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):

April 30, 2022: 28,007,448 shares

October 31, 2021: 28,007,448 shares

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

April 30, 2022: 3,210,932 shares

October 31, 2021: 3,253,212 shares

3) Average number of shares during the period:

Six months ended April 30, 2022: 24,769,412 shares

Six months ended April 30, 2021: 24,754,236 shares

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of October 31,2021	As of April 30,2022
<b>Assets</b>		
Current assets		
Cash and deposits	1,967,621	1,655,723
Notes and accounts receivable - trade	5,549,822	5,158,996
Electronically recorded monetary claims - operating	1,620,603	1,693,402
Securities	398,535	477,119
Merchandise	3,963,875	4,827,454
Other	46,640	461,239
Allowance for doubtful accounts	(7,845)	(7,486)
Total current assets	13,539,254	14,266,449
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	589,818	2,688,684
Machinery, equipment and vehicles, net	241,624	2,292,992
Land	4,476,806	4,476,806
Construction in progress	3,168,649	-
Other, net	114,422	114,839
Total property, plant and equipment	8,591,320	9,573,323
Intangible assets	107,992	133,883
Investments and other assets		
Investment securities	5,671,255	5,754,102
Distressed receivables	206	1,118
Other	529,752	538,121
Allowance for doubtful accounts	(206)	(1,118)
Total investments and other assets	6,201,007	6,292,223
Total non-current assets	14,900,320	15,999,431
<b>Total assets</b>	<b>28,439,574</b>	<b>30,265,880</b>

(Thousand yen)

	As of October 31,2021	As of April 30,2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,135,353	4,268,835
Short-term borrowings	4,850,000	5,050,000
Current portion of long-term borrowings	186,637	486,764
Provision for bonuses	141,553	125,136
Other	800,138	807,453
Total current liabilities	10,113,682	10,738,188
Non-current liabilities		
Long-term borrowings	6,511,362	7,913,236
Deferred tax liabilities	1,002,785	933,673
Retirement benefit liability	191,324	188,481
Long-term guarantee deposits	4,500	4,500
Total non-current liabilities	7,709,973	9,039,891
<b>Total liabilities</b>	<b>17,823,655</b>	<b>19,778,079</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,712,335	2,712,335
Capital surplus	1,728,146	1,724,259
Retained earnings	4,612,530	4,685,306
Treasury shares	(956,101)	(943,674)
Total shareholders' equity	8,096,910	8,178,227
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,444,915	2,248,090
Deferred gains or losses on hedges	-	(778)
Remeasurements of defined benefit plans	74,093	61,261
Total accumulated other comprehensive income	2,519,008	2,308,573
Share acquisition rights	-	999
<b>Total net assets</b>	<b>10,615,919</b>	<b>10,487,800</b>
<b>Total liabilities and net assets</b>	<b>28,439,574</b>	<b>30,265,880</b>

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Thousand yen)

	For the six months ended April 30,2021	For the six months ended April 30,2022
Net sales	9,286,721	9,928,939
Cost of sales	7,425,924	7,796,713
Gross profit	1,860,797	2,132,226
Selling, general and administrative expenses	1,937,804	1,995,393
Operating profit (loss)	(77,006)	136,832
Non-operating income		
Dividend income	64,231	71,701
Rental income	6,952	7,225
Purchase discounts	36,659	41,261
Gain on investments in securities	30,189	-
Other	7,393	7,499
Total non-operating income	145,427	127,687
Non-operating expenses		
Interest expenses	19,930	26,207
Sales discounts	18,198	-
Loss on investments in securities	-	4,622
Other	8,976	4,782
Total non-operating expenses	47,105	35,612
Ordinary profit	21,315	228,907
Extraordinary income		
Gain on sale of investment securities	45	1,550
Total extraordinary income	45	1,550
Profit before income taxes	21,361	230,458
Income taxes - current	50,546	56,037
Income taxes - deferred	(6,950)	27,382
Total income taxes	43,595	83,419
Profit (loss)	(22,234)	147,039
Profit (loss) attributable to owners of parent	(22,234)	147,039

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

(Thousand yen)

	For the six months ended April 30,2021	For the six months ended April 30,2022
Profit (loss)	(22,234)	147,039
Other comprehensive income		
Valuation difference on available-for-sale securities	(54,327)	(196,824)
Deferred gains or losses on hedges	-	(778)
Remeasurements of defined benefit plans, net of tax	(4,382)	(12,832)
Total other comprehensive income	(58,710)	(210,435)
Comprehensive income	(80,945)	(63,395)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(80,945)	(63,395)