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Consolidated Financial Results for the Nine Months Ended July 31, 2022 [Japanese GAAP]

September 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: September 14, 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 Nine Months Ended July 31, 2022 (November 01, 2021 to July 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	%
Nine months ended July 31, 2022	15,045	6.9	191	952.4	326	144.0	216	300.4
July 31, 2021	14,076	(1.6)	18	-	133	(7.2)	54	(14.3)

(Note) Comprehensive income:
 Nine months ended July 31, 2022: ¥ (123) million [-%]
 Nine months ended July 31, 2021: ¥ (295) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended July 31, 2022	8.75	-
July 31, 2021	2.19	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of July 31, 2022	30,549	10,354	33.9
October 31, 2021	28,439	10,615	37.3

(Reference) Equity:
 As of July 31, 2022: ¥ 10,352 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 nine months ended July 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):

July 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:

July 31, 2022: 3,210,932 shares

October 31, 2021: 3,253,212 shares

3) Average number of shares during the period:

Nine months ended July 31, 2022: 24,778,546 shares

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

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of October 31,2021	As of July 31,2022
Assets		
Current assets		
Cash and deposits	1,967,621	1,632,155
Notes and accounts receivable - trade	5,549,822	5,181,844
Electronically recorded monetary claims - operating	1,620,603	1,757,133
Securities	398,535	247,191
Merchandise	3,963,875	5,368,050
Other	46,640	532,945
Allowance for doubtful accounts	(7,845)	(7,567)
Total current assets	13,539,254	14,711,753
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	589,818	2,661,751
Machinery, equipment and vehicles, net	241,624	2,193,433
Land	4,476,806	4,476,806
Construction in progress	3,168,649	-
Other, net	114,422	107,262
Total property, plant and equipment	8,591,320	9,439,252
Intangible assets	107,992	133,257
Investments and other assets		
Investment securities	5,671,255	5,829,230
Distressed receivables	206	1,118
Other	529,752	436,482
Allowance for doubtful accounts	(206)	(1,118)
Total investments and other assets	6,201,007	6,265,713
Total non-current assets	14,900,320	15,838,224
Total assets	28,439,574	30,549,977

(Thousand yen)

	As of October 31,2021	As of July 31,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,135,353	4,652,896
Short-term borrowings	4,850,000	5,450,000
Current portion of long-term borrowings	186,637	986,764
Provision for bonuses	141,553	66,953
Other	800,138	520,491
Total current liabilities	10,113,682	11,677,105
Non-current liabilities		
Long-term borrowings	6,511,362	7,441,545
Deferred tax liabilities	1,002,785	883,947
Retirement benefit liability	191,324	188,736
Long-term guarantee deposits	4,500	4,500
Total non-current liabilities	7,709,973	8,518,729
Total liabilities	17,823,655	20,195,834
Net assets		
Shareholders' equity		
Share capital	2,712,335	2,712,335
Capital surplus	1,728,146	1,724,259
Retained earnings	4,612,530	4,680,721
Treasury shares	(956,101)	(943,674)
Total shareholders' equity	8,096,910	8,173,642
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,444,915	2,117,838
Deferred gains or losses on hedges	-	5,819
Remeasurements of defined benefit plans	74,093	54,845
Total accumulated other comprehensive income	2,519,008	2,178,503
Share acquisition rights	-	1,998
Total net assets	10,615,919	10,354,143
Total liabilities and net assets	28,439,574	30,549,977

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 31,2021	For the nine months ended July 31,2022
Net sales	14,076,481	15,045,723
Cost of sales	11,171,214	11,792,420
Gross profit	2,905,267	3,253,302
Selling, general and administrative expenses	2,887,113	3,062,261
Operating profit	18,153	191,041
Non-operating income		
Dividend income	79,393	92,053
Rental income	10,565	9,878
Purchase discounts	55,353	63,004
Gain on investments in securities	29,884	4,887
Other	10,134	12,084
Total non-operating income	185,332	181,908
Non-operating expenses		
Interest expenses	32,473	41,405
Sales discounts	27,515	-
Other	9,674	5,040
Total non-operating expenses	69,663	46,446
Ordinary profit	133,822	326,502
Extraordinary income		
Gain on sale of investment securities	45	1,550
Total extraordinary income	45	1,550
Profit before income taxes	133,868	328,053
Income taxes - current	69,736	67,231
Income taxes - deferred	9,978	43,978
Total income taxes	79,714	111,209
Profit	54,153	216,843
Profit attributable to owners of parent	54,153	216,843

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

(Thousand yen)

	For the nine months ended July 31,2021	For the nine months ended July 31,2022
Profit	54,153	216,843
Other comprehensive income		
Valuation difference on available-for-sale securities	(343,412)	(327,076)
Deferred gains or losses on hedges	-	5,819
Remeasurements of defined benefit plans, net of tax	(6,574)	(19,248)
Total other comprehensive income	(349,986)	(340,505)
Comprehensive income	(295,832)	(123,662)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(295,832)	(123,662)