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Consolidated Financial Results for the Three Months Ended January 31, 2023 [Japanese GAAP]

March 16, 2023

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: March 17, 2023
 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, 2023 (November 01, 2022 to January 31, 2023)

(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, 2023	5,288	6.9	171	34.9	222	80.7	143	117.8
January 31, 2022	4,948	10.1	127	-	123	-	66	-

(Note) Comprehensive income: Three months ended January 31, 2023: ¥ 311 million [170.0%]
 Three months ended January 31, 2022: ¥ 115 million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended January 31, 2023	5.80	-
January 31, 2022	2.67	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of January 31, 2023	31,227	11,274	36.1
October 31, 2022	31,120	11,036	35.5

(Reference) Equity: As of January 31, 2023: ¥ 11,270 million
 As of October 31, 2022: ¥ 11,033 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, 2022	-	3.00	-	3.00	6.00
Fiscal year ending October 31, 2023	-				
Fiscal year ending October 31, 2023 (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, 2023(November 01, 2022 to October 31, 2023)

(% 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, 2023	10,434	5.1	150	9.6	248	8.3	170	15.6	6.86
Full year	21,242	3.7	343	(18.2)	546	(23.0)	377	(29.2)	15.20

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

* Notes:

(1) Changes in significant subsidiaries during the three months ended January 31, 2023

(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):

January 31, 2023: 28,007,448 shares

October 31, 2022: 28,007,448 shares

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

January 31, 2023: 3,210,932 shares

October 31, 2022: 3,210,932 shares

3) Average number of shares during the period:

Three months ended January 31, 2023: 24,796,516 shares

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

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of October 31,2022	As of January 31,2023
Assets		
Current assets		
Cash and deposits	1,461,974	1,524,902
Notes and accounts receivable - trade	5,426,897	5,216,205
Electronically recorded monetary claims - operating	1,943,077	2,277,588
Securities	315,730	338,672
Merchandise	5,244,171	5,435,763
Other	498,462	54,498
Allowance for doubtful accounts	(7,832)	(5,162)
Total current assets	14,882,480	14,842,469
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,632,523	2,602,842
Machinery, equipment and vehicles, net	2,093,873	2,005,616
Land	4,476,806	4,476,806
Construction in progress	-	3,644
Other, net	111,424	106,884
Total property, plant and equipment	9,314,627	9,195,795
Intangible assets	129,878	128,093
Investments and other assets		
Investment securities	6,408,854	6,686,008
Distressed receivables	1,118	1,118
Other	384,742	374,994
Allowance for doubtful accounts	(1,118)	(1,118)
Total investments and other assets	6,793,596	7,061,002
Total non-current assets	16,238,102	16,384,891
Total assets	31,120,583	31,227,361

(Thousand yen)

	As of October 31,2022	As of January 31,2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,313,858	4,267,641
Short-term borrowings	5,450,000	5,450,000
Current portion of long-term borrowings	1,586,764	1,586,764
Provision for bonuses	144,767	66,501
Other	593,650	609,814
Total current liabilities	12,089,041	11,980,721
Non-current liabilities		
Long-term borrowings	6,719,854	6,598,163
Deferred tax liabilities	1,078,564	1,174,104
Retirement benefit liability	192,293	193,954
Long-term guarantee deposits	4,500	5,500
Total non-current liabilities	7,995,212	7,971,721
Total liabilities	20,084,253	19,952,442
Net assets		
Shareholders' equity		
Share capital	2,712,335	2,712,335
Capital surplus	1,724,259	1,724,259
Retained earnings	4,996,114	5,065,586
Treasury shares	(943,674)	(943,674)
Total shareholders' equity	8,489,035	8,558,508
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,504,280	2,704,345
Deferred gains or losses on hedges	24,693	(3,787)
Remeasurements of defined benefit plans	15,323	11,857
Total accumulated other comprehensive income	2,544,297	2,712,414
Share acquisition rights	2,997	3,996
Total net assets	11,036,329	11,274,918
Total liabilities and net assets	31,120,583	31,227,361

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 31,2022	For the three months ended January 31,2023
Net sales	4,948,435	5,288,407
Cost of sales	3,857,261	4,074,815
Gross profit	1,091,173	1,213,592
Selling, general and administrative expenses	964,091	1,042,105
Operating profit	127,081	171,486
Non-operating income		
Dividend income	14,564	21,540
Rental income	3,612	2,652
Purchase discounts	20,642	20,957
Gain on investments in securities	-	18,442
Other	4,825	3,912
Total non-operating income	43,645	67,506
Non-operating expenses		
Interest expenses	13,306	14,736
Loss on investments in securities	34,004	-
Other	156	1,511
Total non-operating expenses	47,467	16,248
Ordinary profit	123,259	222,744
Extraordinary income		
Gain on sale of investment securities	1,550	-
Total extraordinary income	1,550	-
Profit before income taxes	124,810	222,744
Income taxes - current	16,365	34,294
Income taxes - deferred	42,379	44,587
Total income taxes	58,745	78,882
Profit	66,065	143,862
Profit attributable to owners of parent	66,065	143,862

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

(Thousand yen)

	For the three months ended January 31,2022	For the three months ended January 31,2023
Profit	66,065	143,862
Other comprehensive income		
Valuation difference on available-for-sale securities	55,899	200,064
Deferred gains or losses on hedges	-	(28,481)
Remeasurements of defined benefit plans, net of tax	(6,416)	(3,466)
Total other comprehensive income	49,483	168,117
Comprehensive income	115,548	311,979
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	115,548	311,979