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## Consolidated Financial Results for the Six Months Ended April 30, 2023 [Japanese GAAP]

June 13, 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: +81-6-6535-3690  
 Scheduled date of filing quarterly securities report: June 14, 2023  
 Scheduled date of commencing dividend payments: July 14, 2023  
 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, 2023 (November 1, 2022 to April 30, 2023)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended April 30, 2023	10,736	8.1	369	170.4	612	167.6	417	184.2
April 30, 2022	9,928	6.9	136	-	228	973.9	147	-

(Note) Comprehensive income: Six months ended April 30, 2023: ¥ 1,322 million [ -%]  
 Six months ended April 30, 2022: ¥ (63) million [ -%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended April 30, 2023	16.84		-	
April 30, 2022	5.94		-	

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
April 30, 2023	32,758	12,295	37.5
October 31, 2022	31,120	11,036	35.5

(Reference) Equity: As of April 30, 2023: ¥ 12,290 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	-	3.00			
Fiscal year ending October 31, 2023 (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, 2023(November 1, 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
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	21,600	5.5	600	43.2	880	24.0	600	12.7	24.18

(Note) Revision to the financial results forecast announced most recently: Yes

### \* Notes:

- (1) Changes in significant subsidiaries during the six months ended April 30, 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):
 

April 30, 2023:	28,007,448 shares
October 31, 2022:	28,007,448 shares
  - 2) Number of treasury shares at the end of the period:
 

April 30, 2023:	3,169,932 shares
October 31, 2022:	3,210,932 shares
  - 3) Average number of shares outstanding during the period:
 

Six months ended April 30, 2023:	24,811,466 shares
Six months ended April 30, 2022:	24,769,412 shares

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of October 31, 2022	As of April 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	1,461,974	2,023,021
Notes and accounts receivable - trade	5,426,897	5,143,304
Electronically recorded monetary claims - operating	1,943,077	2,213,169
Securities	315,730	487,321
Merchandise	5,244,171	5,495,487
Other	498,462	74,372
Allowance for doubtful accounts	(7,832)	(5,140)
Total current assets	14,882,480	15,431,535
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,632,523	2,574,262
Machinery, equipment and vehicles, net	2,093,873	1,918,743
Land	4,476,806	4,476,806
Other, net	111,424	109,792
Total property, plant and equipment	9,314,627	9,079,604
Intangible assets	129,878	129,980
Investments and other assets		
Investment securities	6,408,854	7,743,777
Distressed receivables	1,118	1,088
Other	384,742	373,754
Allowance for doubtful accounts	(1,118)	(1,088)
Total investments and other assets	6,793,596	8,117,531
Total non-current assets	16,238,102	17,327,116
Total assets	31,120,583	32,758,652

(Thousands of yen)

	As of October 31, 2022	As of April 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,313,858	4,311,295
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	133,002
Other	593,651	798,472
Total current liabilities	12,089,041	12,279,534
Non-current liabilities		
Long-term borrowings	6,719,854	6,476,472
Deferred tax liabilities	1,078,564	1,505,125
Retirement benefit liability	192,293	196,732
Long-term guarantee deposits	4,500	5,500
Total non-current liabilities	7,995,212	8,183,830
<b>Total liabilities</b>	<b>20,084,253</b>	<b>20,463,364</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,712,335	2,712,335
Capital surplus	1,724,259	1,720,737
Retained earnings	4,996,114	5,339,643
Treasury shares	(943,674)	(931,624)
Total shareholders' equity	8,489,035	8,841,093
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,504,280	3,441,693
Deferred gains or losses on hedges	24,693	(884)
Remeasurements of defined benefit plans	15,323	8,391
Total accumulated other comprehensive income	2,544,297	3,449,199
Share acquisition rights	2,997	4,995
<b>Total net assets</b>	<b>11,036,329</b>	<b>12,295,287</b>
<b>Total liabilities and net assets</b>	<b>31,120,583</b>	<b>32,758,652</b>

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Thousands of yen)

	For the six months ended April 30, 2022	For the six months ended April 30, 2023
Net sales	9,928,939	10,736,580
Cost of sales	7,796,713	8,297,853
Gross profit	2,132,226	2,438,727
Selling, general and administrative expenses	1,995,393	2,068,760
Operating profit	136,832	369,966
Non-operating income		
Dividend income	71,701	90,250
Rental income	7,225	5,305
Purchase discounts	41,261	43,119
Gain on investments in securities	-	121,843
Other	7,499	10,924
Total non-operating income	127,687	271,443
Non-operating expenses		
Interest expenses	26,207	28,846
Loss on investments in securities	4,622	-
Other	4,782	100
Total non-operating expenses	35,612	28,947
Ordinary profit	228,907	612,462
Extraordinary income		
Gain on sale of investment securities	1,550	6,756
Total extraordinary income	1,550	6,756
Profit before income taxes	230,458	619,219
Income taxes - current	56,037	150,384
Income taxes - deferred	27,382	50,915
Total income taxes	83,419	201,300
Profit	147,039	417,919
Profit attributable to owners of parent	147,039	417,919

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

(Thousands of yen)

	For the six months ended April 30, 2022	For the six months ended April 30, 2023
Profit	147,039	417,919
Other comprehensive income		
Valuation difference on available-for-sale securities	(196,824)	937,412
Deferred gains or losses on hedges	(778)	(25,577)
Remeasurements of defined benefit plans, net of tax	(12,832)	(6,932)
Total other comprehensive income	(210,435)	904,902
Comprehensive income	(63,395)	1,322,821
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(63,395)	1,322,821