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Consolidated Financial Results for the Three Months Ended January 31, 2024 [Japanese GAAP]

March 15, 2024

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: March 18, 2024
 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, 2024 (November 1, 2023 to January 31, 2024)

(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	%
Three months ended January 31, 2024	5,308	0.4	175	2.3	164	(26.2)	78	(45.2)
January 31, 2023	5,288	6.9	171	34.9	222	80.7	143	117.8

(Note) Comprehensive income: Three months ended January 31, 2024: ¥ 401 million [28.7%]
 Three months ended January 31, 2023: ¥ 115 million [-%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
January 31, 2024	3.17	3.16
January 31, 2023	5.80	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
January 31, 2024	32,832	12,674	38.6
October 31, 2023	32,689	12,344	37.7

(Reference) Equity: As of January 31, 2024: ¥ 12,660 million
 As of October 31, 2023: ¥ 12,333 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, 2023	-	3.00	-	3.00	6.00
Fiscal year ending October 31, 2024	-				
Fiscal year ending October 31, 2024 (Forecast)		3.00	-	3.00	6.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending October 31, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending October 31, 2024(November 1, 2023 to October 31, 2024)

(% 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
Six months ending April 30, 2024	11,420	6.4	500	35.1	620	1.2	430	2.9	17.32
Full year	23,000	5.7	930	20.4	1,240	0.1	860	1.7	34.64

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

* Notes:

(1) Changes in significant subsidiaries during the three months ended January 31, 2024

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(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, 2024: 28,007,448 shares

October 31, 2023: 28,007,448 shares

2) Number of treasury shares at the end of the period:

January 31, 2024: 3,170,034 shares

October 31, 2023: 3,170,034 shares

3) Average number of shares outstanding during the period:

Three months ended January 31, 2024: 24,837,414 shares

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

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of October 31, 2023	As of January 31, 2024
Assets		
Current assets		
Cash and deposits	2,632,284	2,148,158
Notes and accounts receivable - trade	5,190,958	4,728,505
Electronically recorded monetary claims - operating	2,501,094	2,794,726
Securities	610,174	570,251
Merchandise	5,039,989	5,511,650
Other	36,176	62,933
Allowance for doubtful accounts	(5,166)	(5,135)
Total current assets	16,005,511	15,811,090
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,520,403	2,491,348
Machinery, equipment and vehicles, net	1,749,915	1,675,783
Land	4,476,806	4,476,806
Construction in progress	-	4,257
Other, net	112,172	106,846
Total property, plant and equipment	8,859,298	8,755,041
Intangible assets	139,167	139,149
Investments and other assets		
Investment securities	7,285,895	7,746,996
Distressed receivables	206	206
Other	400,024	380,114
Allowance for doubtful accounts	(206)	(206)
Total investments and other assets	7,685,920	8,127,111
Total non-current assets	16,684,386	17,021,303
Total assets	32,689,897	32,832,393

(Thousands of yen)

	As of October 31, 2023	As of January 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,219,902	4,530,867
Short-term borrowings	5,450,000	5,450,000
Current portion of long-term borrowings	486,764	486,764
Provision for bonuses	137,066	63,243
Other	1,175,706	717,868
Total current liabilities	11,469,439	11,248,743
Non-current liabilities		
Long-term borrowings	7,333,090	7,211,399
Deferred tax liabilities	1,346,507	1,503,264
Retirement benefit liability	191,556	189,830
Long-term guarantee deposits	4,500	4,500
Total non-current liabilities	8,875,654	8,908,994
Total liabilities	20,345,094	20,157,737
Net assets		
Shareholders' equity		
Share capital	2,712,335	2,712,335
Capital surplus	1,720,737	1,720,737
Retained earnings	5,692,597	5,696,871
Treasury shares	(931,652)	(931,652)
Total shareholders' equity	9,194,018	9,198,293
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,124,864	3,449,676
Deferred gains or losses on hedges	104	0
Remeasurements of defined benefit plans	14,831	12,993
Total accumulated other comprehensive income	3,139,800	3,462,670
Share acquisition rights	10,984	13,692
Total net assets	12,344,803	12,674,655
Total liabilities and net assets	32,689,897	32,832,393

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Thousands of yen)

	For the three months ended January 31, 2023	For the three months ended January 31, 2024
Net sales	5,288,407	5,308,915
Cost of sales	4,074,815	4,083,464
Gross profit	1,213,592	1,225,451
Selling, general and administrative expenses	1,042,105	1,050,030
Operating profit	171,486	175,420
Non-operating income		
Dividend income	21,540	25,147
Rental income	2,652	2,652
Purchase discounts	20,957	22,423
Gain on investments in securities	18,442	-
Other	3,912	4,246
Total non-operating income	67,506	54,470
Non-operating expenses		
Interest expenses	14,736	14,506
Loss on investments in securities	-	50,229
Other	1,511	848
Total non-operating expenses	16,248	65,584
Ordinary profit	222,744	164,306
Profit before income taxes	222,744	164,306
Income taxes - current	34,294	40,477
Income taxes - deferred	44,587	45,042
Total income taxes	78,882	85,519
Profit	143,862	78,786
Profit attributable to owners of parent	143,862	78,786

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

(Thousands of yen)

	For the three months ended January 31, 2023	For the three months ended January 31, 2024
Profit	143,862	78,786
Other comprehensive income		
Valuation difference on available-for-sale securities	200,064	324,811
Deferred gains or losses on hedges	(28,481)	(104)
Remeasurements of defined benefit plans, net of tax	(3,466)	(1,837)
Total other comprehensive income	168,117	322,870
Comprehensive income	311,979	401,656
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	311,979	401,656