



Consolidated Financial Results for the Nine Months Ended July 31, 2020 [Japanese GAAP]

September 11, 2020

Company name: TORQ Inc.
 Stock exchange listing: Tokyo
 Code number: 8077
 URL: <https://www.torq.co.jp>
 Representative: Higaki Toshiyuki, President
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 Scheduled date of filing quarterly securities report: September 14, 2020
 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, 2020 (November 01, 2019 to July 31, 2020)

(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, 2020	14,301	(14.1)	0	(99.9)	144	(70.4)	63	(80.9)
July 31, 2019	16,650	(1.8)	355	(6.4)	486	(11.9)	330	(11.1)

(Note) Comprehensive income: Nine months ended July 31, 2020: ¥ (879) million [-%]
 Nine months ended July 31, 2019: ¥ (363) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended July 31, 2020	2.52	-
July 31, 2019	12.98	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of July 31, 2020	24,085	10,451	43.4
October 31, 2019	25,938	11,632	44.8

(Reference) Equity: As of July 31, 2020: ¥ 10,451 million
 As of October 31, 2019: ¥ 11,632 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, 2019	-	3.00	-	3.00	6.00
Fiscal year ending October 31, 2020	-	3.00	-		
Fiscal year ending October 31, 2020(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, 2020(November 01, 2019 to October 31, 2020)

(% 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	-	-	-	-	-	-	-	-	-

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

* Notes:

(1) Changes in significant subsidiaries during the nine months ended July 31, 2020

(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):

July 31, 2020: 28,007,448 shares

October 31, 2019: 28,007,448 shares

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

July 31, 2020: 3,253,212 shares

October 31, 2019: 2,759,512 shares

3) Average number of shares during the period:

Nine months ended July 31, 2020: 25,126,484 shares

Nine months ended July 31, 2019: 25,496,065 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of October 31,2019	As of July 31,2020
Assets		
Current assets		
Cash and deposits	2,249,538	1,949,387
Notes and accounts receivable - trade	7,622,272	6,310,652
Merchandise	3,851,367	4,003,403
Other	253,141	306,451
Allowance for doubtful accounts	(8,748)	(8,595)
Total current assets	13,967,570	12,561,300
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	610,022	594,489
Machinery, equipment and vehicles, net	102,065	206,250
Land	4,495,128	4,495,128
Other, net	97,364	883,044
Total property, plant and equipment	5,304,580	6,178,913
Intangible assets	105,082	112,385
Investments and other assets		
Investment securities	6,096,001	4,783,523
Claims provable in bankruptcy, claims provable in rehabilitation and other	8,633	8,771
Other	464,776	449,173
Allowance for doubtful accounts	(8,633)	(8,771)
Total investments and other assets	6,560,777	5,232,697
Total non-current assets	11,970,440	11,523,996
Total assets	25,938,011	24,085,296

(Thousand yen)

	As of October 31,2019	As of July 31,2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,418,036	3,747,313
Short-term borrowings	6,260,000	6,930,000
Current portion of long-term borrowings	-	200,000
Provision for bonuses	129,307	58,287
Other	619,270	397,401
Total current liabilities	11,426,614	11,333,003
Non-current liabilities		
Long-term borrowings	1,300,000	1,100,000
Deferred tax liabilities	1,375,637	995,555
Retirement benefit liability	197,054	197,951
Long-term guarantee deposits	4,500	6,500
Other	2,074	976
Total non-current liabilities	2,879,266	2,300,983
Total liabilities	14,305,880	13,633,986
Net assets		
Shareholders' equity		
Share capital	2,712,335	2,712,335
Capital surplus	1,728,146	1,728,146
Retained earnings	4,784,392	4,696,387
Treasury shares	(806,125)	(956,101)
Total shareholders' equity	8,418,749	8,180,768
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,157,872	2,225,055
Remeasurements of defined benefit plans	55,507	45,486
Total accumulated other comprehensive income	3,213,380	2,270,542
Total net assets	11,632,130	10,451,310
Total liabilities and net assets	25,938,011	24,085,296

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 31,2019	For the nine months ended July 31,2020
Net sales	16,650,640	14,301,550
Cost of sales	13,353,812	11,343,932
Gross profit	3,296,828	2,957,617
Selling, general and administrative expenses	2,941,094	2,957,135
Operating profit	355,734	482
Non-operating income		
Dividend income	92,929	104,144
Rental income	11,198	10,878
Purchase discounts	69,122	60,092
Other	13,878	22,687
Total non-operating income	187,128	197,802
Non-operating expenses		
Interest expenses	16,418	21,907
Sales discounts	24,753	26,478
Loss on valuation of securities	10,922	437
Other	3,913	5,314
Total non-operating expenses	56,008	54,137
Ordinary profit	486,854	144,147
Extraordinary income		
Gain on sales of investment securities	159	0
Gain on reversal of share acquisition rights	2,975	-
Total extraordinary income	3,134	0
Extraordinary losses		
Loss on valuation of investment securities	-	28,014
Total extraordinary losses	-	28,014
Profit before income taxes	489,989	116,133
Income taxes - current	105,102	49,458
Income taxes - deferred	53,999	3,480
Total income taxes	159,101	52,939
Profit	330,887	63,194
Profit attributable to owners of parent	330,887	63,194

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

(Thousand yen)

	For the nine months ended July 31,2019	For the nine months ended July 31,2020
Profit	330,887	63,194
Other comprehensive income		
Valuation difference on available-for-sale securities	(684,791)	(932,816)
Remeasurements of defined benefit plans, net of tax	(10,060)	(10,020)
Total other comprehensive income	(694,851)	(942,837)
Comprehensive income	(363,964)	(879,643)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(363,964)	(879,643)