



Consolidated Financial Results for the Three Months Ended January 31, 2021 [Japanese GAAP]

March 16, 2021

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: March 17, 2021
 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, 2021 (November 01, 2020 to January 31, 2021)

(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, 2021	4,493	(10.9)	(23)	(153.3)	2	(97.3)	(10)	(122.9)
January 31, 2020	5,042	(9.6)	43	(72.1)	82	(53.5)	45	(62.0)

(Note) Comprehensive income: Three months ended January 31, 2021: ¥ (11) million [-%]
 Three months ended January 31, 2020: ¥ (177) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended January 31, 2021	(0.42)	-
January 31, 2020	1.80	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of January 31, 2021	26,151	10,523	40.2
October 31, 2020	24,299	10,607	43.7

(Reference) Equity: As of January 31, 2021: ¥ 10,523 million
 As of October 31, 2020: ¥ 10,607 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, 2020	-	3.00	-	3.00	6.00
Fiscal year ending October 31, 2021	-				
Fiscal year ending October 31, 2021 (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, 2021(November 01, 2020 to October 31, 2021)

(% 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, 2021	-	-	-	-	-	-	-	-	-
Full year	-	-	-	-	-	-	-	-	-

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

* Notes:

(1) Changes in significant subsidiaries during the three months ended January 31, 2021

(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, 2021: 28,007,448 shares

October 31, 2020: 28,007,448 shares

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

January 31, 2021: 3,253,212 shares

October 31, 2020: 3,253,212 shares

3) Average number of shares during the period:

Three months ended January 31, 2021: 24,754,236 shares

Three months ended January 31, 2020: 25,247,936 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of October 31,2020	As of January 31,2021
Assets		
Current assets		
Cash and deposits	1,956,474	2,587,185
Notes and accounts receivable - trade	6,366,652	6,400,000
Merchandise	3,744,172	3,925,777
Other	174,836	372,058
Allowance for doubtful accounts	(10,628)	(7,533)
Total current assets	12,231,507	13,277,488
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	618,632	617,490
Machinery, equipment and vehicles, net	225,304	213,769
Land	4,476,806	4,476,806
Construction in progress	723,379	1,372,111
Other, net	138,397	131,407
Total property, plant and equipment	6,182,520	6,811,585
Intangible assets	102,600	105,831
Investments and other assets		
Investment securities	5,096,086	5,489,920
Distressed receivables	10,288	8,998
Other	686,539	466,359
Allowance for doubtful accounts	(10,288)	(8,998)
Total investments and other assets	5,782,626	5,956,279
Total non-current assets	12,067,747	12,873,696
Total assets	24,299,254	26,151,185

(Thousand yen)

	As of October 31,2020	As of January 31,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,645,801	3,777,643
Short-term borrowings	6,900,000	4,880,000
Current portion of long-term borrowings	200,000	-
Provision for bonuses	121,122	59,240
Other	475,312	569,213
Total current liabilities	11,342,236	9,286,097
Non-current liabilities		
Long-term borrowings	1,100,000	5,112,000
Deferred tax liabilities	1,044,278	1,022,819
Retirement benefit liability	198,114	200,375
Long-term guarantee deposits	6,500	6,500
Other	610	244
Total non-current liabilities	2,349,503	6,341,939
Total liabilities	13,691,739	15,628,036
Net assets		
Shareholders' equity		
Share capital	2,712,335	2,712,335
Capital surplus	1,728,146	1,728,146
Retained earnings	4,500,948	4,417,422
Treasury shares	(956,101)	(956,101)
Total shareholders' equity	7,985,329	7,901,802
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,581,848	2,583,199
Remeasurements of defined benefit plans	40,337	38,146
Total accumulated other comprehensive income	2,622,186	2,621,345
Total net assets	10,607,515	10,523,148
Total liabilities and net assets	24,299,254	26,151,185

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 31,2020	For the three months ended January 31,2021
Net sales	5,042,703	4,493,147
Cost of sales	4,011,462	3,536,170
Gross profit	1,031,240	956,977
Selling, general and administrative expenses	987,700	980,195
Operating profit (loss)	43,540	(23,218)
Non-operating income		
Dividend income	11,009	8,239
Rental income	3,652	3,340
Purchase discounts	21,571	18,828
Gain on valuation of securities	12,986	15,041
Other	6,988	8,281
Total non-operating income	56,208	53,731
Non-operating expenses		
Interest expenses	7,194	9,155
Sales discounts	9,437	9,139
Other	1,090	9,982
Total non-operating expenses	17,721	28,277
Ordinary profit	82,027	2,236
Extraordinary income		
Gain on sales of investment securities	-	45
Total extraordinary income	-	45
Profit before income taxes	82,027	2,281
Income taxes - current	19,873	18,841
Income taxes - deferred	16,714	(6,136)
Total income taxes	36,588	12,704
Profit (loss)	45,439	(10,422)
Profit (loss) attributable to owners of parent	45,439	(10,422)

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

(Thousand yen)

	For the three months ended January 31,2020	For the three months ended January 31,2021
Profit (loss)	45,439	(10,422)
Other comprehensive income		
Valuation difference on available-for-sale securities	(219,845)	1,262
Remeasurements of defined benefit plans, net of tax	(3,340)	(2,191)
Total other comprehensive income	(223,186)	(928)
Comprehensive income	(177,746)	(11,351)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(177,746)	(11,351)