



Consolidated Financial Results for the Six Months Ended April 30, 2021 [Japanese GAAP]

June 11, 2021

Company name: TORQ Inc.
 Stock exchange listing: Tokyo
 Code number: 8077
 URL: <https://www.torq.co.jp>
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 Scheduled date of filing quarterly securities report: June 14, 2021
 Scheduled date of commencing dividend payments: July 14, 2021
 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, 2021 (November 01, 2020 to April 30, 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	%
Six months ended April 30, 2021	9,286	(6.1)	(77)	-	21	(84.8)	(22)	-
April 30, 2020	9,893	(11.1)	41	(83.2)	139	(61.7)	62	(74.8)

(Note) Comprehensive income: Six months ended April 30, 2021: ¥ (80) million [-%]
 Six months ended April 30, 2020: ¥ (683) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended April 30, 2021	(0.90)	-
April 30, 2020	2.48	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of April 30, 2021	27,999	10,458	37.4
October 31, 2020	24,299	10,607	43.7

(Reference) Equity: As of April 30, 2021: ¥ 10,458 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	-	3.00			
Fiscal year ending October 31, 2021 (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, 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
Full year	18,300	(3.4)	(100)	-	40	119.8	(15)	-	(0.61)

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

* Notes:

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

April 30, 2021: 28,007,448 shares

October 31, 2020: 28,007,448 shares

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

April 30, 2021: 3,253,212 shares

October 31, 2020: 3,253,212 shares

3) Average number of shares during the period:

Six months ended April 30, 2021: 24,754,236 shares

Six months ended April 30, 2020: 25,241,970 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of October 31,2020	As of April 30,2021
Assets		
Current assets		
Cash and deposits	1,956,474	2,562,020
Notes and accounts receivable - trade	6,366,652	6,306,136
Securities	86,248	363,358
Merchandise	3,744,172	3,972,291
Other	88,587	82,327
Allowance for doubtful accounts	(10,628)	(7,477)
Total current assets	12,231,507	13,278,656
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	618,632	609,168
Machinery, equipment and vehicles, net	225,304	270,471
Land	4,476,806	4,476,806
Construction in progress	723,379	2,963,965
Other, net	138,397	124,074
Total property, plant and equipment	6,182,520	8,444,487
Intangible assets	102,600	110,148
Investments and other assets		
Investment securities	5,096,086	5,705,666
Distressed receivables	10,288	8,998
Other	686,539	460,261
Allowance for doubtful accounts	(10,288)	(8,998)
Total investments and other assets	5,782,626	6,165,928
Total non-current assets	12,067,747	14,720,563
Total assets	24,299,254	27,999,220

(Thousand yen)

	As of October 31,2020	As of April 30,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,645,801	3,991,068
Short-term borrowings	6,900,000	4,850,000
Current portion of long-term borrowings	200,000	-
Provision for bonuses	121,122	118,481
Other	475,312	683,191
Total current liabilities	11,342,236	9,642,740
Non-current liabilities		
Long-term borrowings	1,100,000	6,698,000
Deferred tax liabilities	1,044,278	996,551
Retirement benefit liability	198,114	199,251
Long-term guarantee deposits	6,500	4,500
Other	610	-
Total non-current liabilities	2,349,503	7,898,303
Total liabilities	13,691,739	17,541,044
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	4,405,609
Treasury shares	(956,101)	(956,101)
Total shareholders' equity	7,985,329	7,889,990
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,581,848	2,532,230
Remeasurements of defined benefit plans	40,337	35,954
Total accumulated other comprehensive income	2,622,186	2,568,185
Total net assets	10,607,515	10,458,176
Total liabilities and net assets	24,299,254	27,999,220

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Thousand yen)

	For the six months ended April 30,2020	For the six months ended April 30,2021
Net sales	9,893,410	9,286,721
Cost of sales	7,878,754	7,425,924
Gross profit	2,014,656	1,860,797
Selling, general and administrative expenses	1,973,190	1,937,804
Operating profit (loss)	41,465	(77,006)
Non-operating income		
Dividend income	89,500	64,231
Rental income	7,265	6,952
Purchase discounts	41,406	36,659
Gain on investments in securities	-	30,189
Other	6,332	7,393
Total non-operating income	144,504	145,427
Non-operating expenses		
Interest expenses	14,393	19,930
Sales discounts	18,561	18,198
Loss on investments in securities	11,668	-
Other	1,436	8,976
Total non-operating expenses	46,060	47,105
Ordinary profit	139,909	21,315
Extraordinary income		
Gain on sales of investment securities	-	45
Total extraordinary income	-	45
Extraordinary losses		
Loss on valuation of investment securities	28,014	-
Total extraordinary losses	28,014	-
Profit before income taxes	111,894	21,361
Income taxes - current	39,987	50,546
Income taxes - deferred	9,195	(6,950)
Total income taxes	49,183	43,595
Profit (loss)	62,711	(22,234)
Profit (loss) attributable to owners of parent	62,711	(22,234)

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

(Thousand yen)

	For the six months ended April 30,2020	For the six months ended April 30,2021
Profit (loss)	62,711	(22,234)
Other comprehensive income		
Valuation difference on available-for-sale securities	(739,255)	(54,327)
Remeasurements of defined benefit plans, net of tax	(6,680)	(4,382)
Total other comprehensive income	(745,936)	(58,710)
Comprehensive income	(683,224)	(80,945)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(683,224)	(80,945)