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Consolidated Financial Results for the Six Months Ended April 30, 2024 [Japanese GAAP]

June 13, 2024

Company name: TORQ Inc.
 Stock exchange listing: Tokyo
 Code number: 8077
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 Representative: Higaki Toshiyuki, President
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 Phone: +81-6-6535-3690
 Scheduled date of filing quarterly securities report: June 14, 2024
 Scheduled date of commencing dividend payments: July 16, 2024
 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, 2024 (November 1, 2023 to April 30, 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	%
Six months ended April 30, 2024	10,870	1.3	382	3.3	434	(29.1)	311	(25.4)
April 30, 2023	10,736	9.1	369	10.4	612	167.6	417	184.2

(Note) Comprehensive income: Six months ended April 30, 2024: ¥ 611 million [- %]
 Six months ended April 30, 2023: ¥ 1,322 million [- %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended April 30, 2024	12.55	12.51
April 30, 2023	16.84	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of April 30, 2024	33,265	12,895	38.7
October 31, 2023	32,689	12,344	37.7

(Reference) Equity: As of April 30, 2024: ¥ 12,880 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	-	3.00			
Fiscal year ending October 31, 2024 (Forecast)			-	3.00	6.00

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

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending October 31, 2024 :

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
Full year	22,000	1.1	750	(2.9)	1,000	(19.3)	700	(17.2)	28.17

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended April 30, 2024

(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, 2024: 28,007,448 shares

October 31, 2023: 28,007,448 shares

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

April 30, 2024: 3,138,634 shares

October 31, 2023: 3,170,034 shares

3) Average number of shares outstanding during the period:

Six months ended April 30, 2024: 24,848,456 shares

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

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of October 31, 2023	As of April 30, 2024
Assets		
Current assets		
Cash and deposits	2,632,284	2,648,554
Notes and accounts receivable - trade	5,190,958	4,820,445
Electronically recorded monetary claims - operating	2,501,094	2,580,095
Securities	610,174	610,078
Merchandise	5,039,989	5,770,579
Other	36,176	109,796
Allowance for doubtful accounts	(5,166)	(5,108)
Total current assets	16,005,511	16,534,441
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,520,403	2,452,971
Machinery, equipment and vehicles, net	1,749,915	1,606,097
Land	4,476,806	4,333,942
Other, net	112,172	100,573
Total property, plant and equipment	8,859,298	8,493,583
Intangible assets	139,167	136,585
Investments and other assets		
Investment securities	7,285,895	7,712,241
Distressed receivables	206	206
Other	400,024	389,037
Allowance for doubtful accounts	(206)	(206)
Total investments and other assets	7,685,920	8,101,278
Total non-current assets	16,684,386	16,731,448
Total assets	32,689,897	33,265,890

(Thousands of yen)

	As of October 31, 2023	As of April 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,219,902	4,678,955
Short-term borrowings	5,450,000	5,450,000
Current portion of long-term borrowings	486,764	636,764
Provision for bonuses	137,066	126,486
Other	1,175,706	875,157
Total current liabilities	11,469,439	11,767,362
Non-current liabilities		
Long-term borrowings	7,333,090	6,939,708
Deferred tax liabilities	1,346,507	1,466,282
Retirement benefit liability	191,556	192,223
Long-term guarantee deposits	4,500	4,500
Total non-current liabilities	8,875,654	8,602,714
Total liabilities	20,345,094	20,370,076
Net assets		
Shareholders' equity		
Share capital	2,712,335	2,712,335
Capital surplus	1,720,737	1,720,898
Retained earnings	5,692,597	5,929,968
Treasury shares	(931,652)	(922,424)
Total shareholders' equity	9,194,018	9,440,778
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,124,864	3,428,485
Deferred gains or losses on hedges	104	-
Remeasurements of defined benefit plans	14,831	11,156
Total accumulated other comprehensive income	3,139,800	3,439,641
Share acquisition rights	10,984	15,393
Total net assets	12,344,803	12,895,813
Total liabilities and net assets	32,689,897	33,265,890

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, 2023	For the six months ended April 30, 2024
Net sales	10,736,580	10,870,972
Cost of sales	8,297,853	8,417,498
Gross profit	2,438,727	2,453,473
Selling, general and administrative expenses	2,068,760	2,071,318
Operating profit	369,966	382,155
Non-operating income		
Dividend income	90,250	96,611
Rental income	5,305	5,305
Purchase discounts	43,119	43,738
Gain on investments in securities	121,843	-
Other	10,924	7,015
Total non-operating income	271,443	152,671
Non-operating expenses		
Interest expenses	28,846	29,517
Loss on investments in securities	-	68,676
Other	100	2,625
Total non-operating expenses	28,947	100,819
Ordinary profit	612,462	434,007
Extraordinary income		
Gain on sale of non-current assets	-	74,613
Gain on sale of investment securities	6,756	-
Total extraordinary income	6,756	74,613
Profit before income taxes	619,219	508,620
Income taxes - current	150,384	181,924
Income taxes - deferred	50,915	14,813
Total income taxes	201,300	196,737
Profit	417,919	311,883
Profit attributable to owners of parent	417,919	311,883

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

(Thousands of yen)

	For the six months ended April 30, 2023	For the six months ended April 30, 2024
Profit	417,919	311,883
Other comprehensive income		
Valuation difference on available-for-sale securities	937,412	303,620
Deferred gains or losses on hedges	(25,577)	(104)
Remeasurements of defined benefit plans, net of tax	(6,932)	(3,674)
Total other comprehensive income	904,902	299,841
Comprehensive income	1,322,821	611,724
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,322,821	611,724