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Consolidated Financial Results for the Year Ended October 31, 2024 [Japanese GAAP]

December 13, 2024

Company name: TORQ Inc.
Listing: Tokyo
Securities code: 8077
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Scheduled date of annual general meeting of shareholders: January 29, 2025
Scheduled date to commence dividend payments: January 30, 2025
Scheduled date to file annual securities report: January 30, 2025
Preparation of supplementary material on financial results: None
Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

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

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended October 31, 2024	22,409	3.0	905	17.2	1,240	0.1	895	5.9
October 31, 2023	21,757	6.2	772	84.3	1,239	74.7	845	58.8

(Note) Comprehensive income: Fiscal year ended October 31, 2024: ¥ 1,427 million [-%]
Fiscal year ended October 31, 2023: ¥ 1,440 million [158.4%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended October 31, 2024	36.48	36.40	7.0	3.7	4.0
October 31, 2023	34.05	34.04	7.2	3.9	3.6

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended October 31, 2024: ¥ million
Fiscal year ended October 31, 2023: ¥ million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of October 31, 2024	33,680	13,266	39.3	571.04
October 31, 2023	32,689	12,344	37.7	496.58

(Reference) Equity: As of October 31, 2024: ¥ 13,247 million
As of October 31, 2023: ¥ 12,333 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended October 31, 2024	(20)	78	(508)	2,181
October 31, 2023	1,865	(61)	(634)	2,632

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
October 31, 2023	-	3.00	-	3.00	6.00	148	17.6	1.3
October 31, 2024	-	3.00	-	3.00	6.00	144	16.4	1.1
Fiscal year ending October 31, 2025 (Forecast)	-	3.00	-	3.00	6.00		16.4	

(Note) Breakdown of the year-end dividend for the fiscal year ended October 31, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending October 31, 2025 (November 1, 2024 to October 31, 2025)

(Percentages indicate year-on-year changes.)

	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, 2025	11,400	4.9	500	30.9	650	49.8	450	44.7	18.33
Full year	23,100	3.1	1,040	14.9	1,300	4.8	900	0.6	36.66

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

October 31, 2024:	28,007,448 shares
October 31, 2023:	28,007,448 shares

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

October 31, 2024:	4,807,823 shares
October 31, 2023:	3,170,034 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended October 31, 2024:	24,549,257 shares
Fiscal Year ended October 31, 2023:	24,824,591 shares

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousands of yen)

	As of October 31, 2023	As of October 31, 2024
Assets		
Current assets		
Cash and deposits	2,632,284	2,181,688
Notes and accounts receivable - trade	5,190,958	5,071,611
Electronically recorded monetary claims - operating	2,501,094	2,927,040
Securities	610,174	583,519
Merchandise	5,039,989	5,791,905
Other	36,176	104,340
Allowance for doubtful accounts	(5,166)	(5,150)
Total current assets	16,005,511	16,654,955
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,623,920	4,503,598
Accumulated depreciation	(2,103,516)	(2,106,469)
Buildings and structures, net	2,520,403	2,397,128
Machinery, equipment and vehicles	2,594,941	2,598,441
Accumulated depreciation	(845,026)	(1,141,264)
Machinery, equipment and vehicles, net	1,749,915	1,457,177
Land	4,476,806	4,333,942
Other	393,795	383,180
Accumulated depreciation	(281,622)	(289,979)
Other, net	112,172	93,200
Total property, plant and equipment	8,859,298	8,281,448
Intangible assets		
Software	119,031	115,166
Telephone subscription right	14,485	14,485
Other	5,650	825
Total intangible assets	139,167	130,477
Investments and other assets		
Investment securities	7,285,895	8,225,069
Distressed receivables	206	206
Deferred tax assets	50,659	41,904
Retirement benefit asset	157,517	196,136
Other	191,847	150,549
Allowance for doubtful accounts	(206)	(206)
Total investments and other assets	7,685,920	8,613,661
Total non-current assets	16,684,386	17,025,587
Total assets	32,689,897	33,680,542

(Thousands of yen)

	As of October 31, 2023	As of October 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,613,082	2,522,307
Electronically recorded obligations - operating	1,606,820	1,820,430
Short-term borrowings	5,450,000	5,950,000
Current portion of long-term borrowings	486,764	636,764
Accounts payable - other	520,417	511,734
Accrued expenses	56,618	61,389
Income taxes payable	293,558	263,969
Provision for bonuses	137,066	131,858
Other	305,111	66,459
Total current liabilities	11,469,439	11,964,913
Non-current liabilities		
Long-term borrowings	7,333,090	6,696,326
Deferred tax liabilities	1,346,507	1,556,896
Retirement benefit liability	191,556	191,268
Long-term guarantee deposits	4,500	4,500
Total non-current liabilities	8,875,654	8,448,990
Total liabilities	20,345,094	20,413,904
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	6,438,957
Treasury shares	(931,652)	(1,296,119)
Total shareholders' equity	9,194,018	9,576,071
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,124,864	3,646,362
Deferred gains or losses on hedges	104	(3,671)
Remeasurements of defined benefit plans	14,831	29,080
Total accumulated other comprehensive income	3,139,800	3,671,771
Share acquisition rights	10,984	18,795
Total net assets	12,344,803	13,266,638
Total liabilities and net assets	32,689,897	33,680,542

Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended October 31, 2023	For the fiscal year ended October 31, 2024
Net sales	21,757,123	22,409,823
Cost of sales	16,844,160	17,341,859
Gross profit	4,912,963	5,067,963
Selling, general and administrative expenses	4,140,545	4,162,792
Operating profit	772,418	905,171
Non-operating income		
Interest income	126	192
Dividend income	221,963	239,918
Rental income	10,611	10,611
Purchase discounts	88,329	92,040
Gain on investments in securities	190,539	58,518
Other	16,253	13,271
Total non-operating income	527,823	414,552
Non-operating expenses		
Interest expenses	58,082	71,573
Other	3,055	7,287
Total non-operating expenses	61,137	78,860
Ordinary profit	1,239,104	1,240,863
Extraordinary income		
Gain on sale of non-current assets	-	74,613
Gain on sale of investment securities	6,901	-
Total extraordinary income	6,901	74,613
Profit before income taxes	1,246,006	1,315,476
Income taxes - current	355,969	409,906
Income taxes - deferred	44,652	10,091
Total income taxes	400,621	419,998
Profit	845,385	895,478
Profit attributable to owners of parent	845,385	895,478

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended October 31, 2023	For the fiscal year ended October 31, 2024
Profit	845,385	895,478
Other comprehensive income		
Valuation difference on available-for-sale securities	620,583	521,498
Deferred gains or losses on hedges	(24,588)	(3,775)
Remeasurements of defined benefit plans, net of tax	(492)	14,249
Total other comprehensive income	595,502	531,971
Comprehensive income	1,440,887	1,427,450
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,440,887	1,427,450

Consolidated Statements of Changes in Equity

For the fiscal year ended October 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,712,335	1,724,259	4,996,114	(943,674)	8,489,035
Changes during period					
Dividends of surplus			(148,902)		(148,902)
Profit attributable to owners of parent			845,385		845,385
Purchase of treasury shares				(27)	(27)
Disposal of treasury shares		(3,521)		12,049	8,528
Net changes in items other than shareholders' equity					
Total changes during period	-	(3,521)	696,483	12,021	704,983
Balance at end of period	2,712,335	1,720,737	5,692,597	(931,652)	9,194,018

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,504,280	24,693	15,323	2,544,297	2,997	11,036,329
Changes during period						
Dividends of surplus						(148,902)
Profit attributable to owners of parent						845,385
Purchase of treasury shares						(27)
Disposal of treasury shares						8,528
Net changes in items other than shareholders' equity	620,583	(24,588)	(492)	595,502	7,987	603,490
Total changes during period	620,583	(24,588)	(492)	595,502	7,987	1,308,473
Balance at end of period	3,124,864	104	14,831	3,139,800	10,984	12,344,803

For the fiscal year ended October 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,712,335	1,720,737	5,692,597	(931,652)	9,194,018
Changes during period					
Dividends of surplus			(149,118)		(149,118)
Profit attributable to owners of parent			895,478		895,478
Purchase of treasury shares				(373,695)	(373,695)
Disposal of treasury shares		160		9,228	9,388
Net changes in items other than shareholders' equity					
Total changes during period	-	160	746,360	(364,467)	382,052
Balance at end of period	2,712,335	1,720,898	6,438,957	(1,296,119)	9,576,071

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,124,864	104	14,831	3,139,800	10,984	12,344,803
Changes during period						
Dividends of surplus						(149,118)
Profit attributable to owners of parent						895,478
Purchase of treasury shares						(373,695)
Disposal of treasury shares						9,388
Net changes in items other than shareholders' equity	521,498	(3,775)	14,249	531,971	7,811	539,782
Total changes during period	521,498	(3,775)	14,249	531,971	7,811	921,835
Balance at end of period	3,646,362	(3,671)	29,080	3,671,771	18,795	13,266,638

Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended October 31, 2023	For the fiscal year ended October 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,246,006	1,315,476
Depreciation	539,378	479,532
Increase (decrease) in retirement benefit liability	(2,873)	(5,180)
Increase (decrease) in allowance for doubtful accounts	(2,666)	(16)
Increase (decrease) in provision for bonuses	(7,701)	(5,208)
Interest and dividend income	(222,089)	(240,111)
Interest expenses	58,082	71,573
Loss (gain) on sale of non-current assets	(738)	(74,613)
Loss (gain) on sale of investment securities	(6,901)	-
Loss (gain) on investments in securities	(190,539)	(58,518)
Decrease (increase) in trade receivables	(322,079)	(306,598)
Decrease (increase) in inventories	204,181	(751,915)
Decrease (increase) in other current assets	391,482	(40,016)
Increase (decrease) in trade payables	(93,955)	122,834
Increase (decrease) in other current liabilities	274,010	(238,220)
Other, net	664	8,940
Subtotal	1,864,261	277,960
Interest and dividends received	222,098	240,120
Interest paid	(58,203)	(72,021)
Income taxes refund (paid)	(162,911)	(466,092)
Net cash provided by (used in) operating activities	1,865,245	(20,033)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	900	227,759
Purchase of property, plant and equipment	(43,297)	(13,565)
Purchase of intangible assets	(48,491)	(34,185)
Proceeds from sale of investment securities	15,594	288
Purchase of investment securities	(27,095)	(213,530)
Proceeds from sale of shares of subsidiaries and associates	33,955	-
Other, net	7,286	111,286
Net cash provided by (used in) investing activities	(61,147)	78,053
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	500,000
Proceeds from long-term borrowings	1,100,000	-
Repayments of long-term borrowings	(1,586,764)	(486,764)
Purchase of treasury shares	(27)	(373,695)
Proceeds from issuance of share acquisition rights	588	-
Dividends paid	(148,220)	(148,520)
Other, net	-	-
Net cash provided by (used in) financing activities	(634,424)	(508,980)
Effect of exchange rate change on cash and cash equivalents	636	365
Net increase (decrease) in cash and cash equivalents	1,170,309	(450,595)
Cash and cash equivalents at beginning of period	1,461,974	2,632,284
Cash and cash equivalents at end of period	2,632,284	2,181,688