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Consolidated Financial Results for the Three Months Ended June 30, 2022 [Japanese GAAP]

August 10, 2022

Company name: RHYTHM CO., LTD.

Stock exchange listing: Tokyo

Code number: 7769

URL: <https://www.rhythm.co.jp/>

Representative: Hiromi Hirata

Contact: Katsuhiko Yamazaki

Phone: 048-643-7241

President and Representative Director

Director and Managing Executive Officer

Scheduled date of filing quarterly securities report: August 12, 2022

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 June 30, 2022 (April 01, 2022 to June 30, 2022)

(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 June 30, 2022	7,930	11.7	233	(24.7)	388	(5.6)	315	(25.9)
June 30, 2021	7,101	30.4	309	-	411	-	425	-

(Note) Comprehensive income: Three months ended June 30, 2022: ¥ 1,661 million [268.6%]
 Three months ended June 30, 2021: ¥ 450 million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	38.17	-
June 30, 2021	51.53	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of June 30, 2022	40,842	28,358	69.4
March 31, 2022	38,293	27,006	70.5

(Reference) Equity: As of June 30, 2022: ¥ 28,353 million
 As of March 31, 2022: ¥ 27,000 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 March 31, 2022	-	0.00	-	37.50	37.50
Fiscal year ending March 31, 2023	-				
Fiscal year ending March 31, 2023 (Forecast)		0.00	-	36.00	36.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% 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 September 30, 2022	14,700	6.1	370	38.9	520	20.1	400	(11.4)	48.44
Full year	30,700	2.3	1,000	12.0	1,300	1.0	1,000	(3.1)	121.09

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

* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2022

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(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):

June 30, 2022: 8,385,093 shares

March 31, 2022: 8,385,093 shares

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

June 30, 2022: 127,286 shares

March 31, 2022: 127,150 shares

3) Average number of shares during the period:

Three months ended June 30, 2022: 8,257,882 shares

Three months ended June 30, 2021: 8,258,984 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of June 30,2022
Assets		
Current assets		
Cash and deposits	9,941	10,611
Notes and accounts receivable - trade, and contract assets	4,107	4,406
Electronically recorded monetary claims - operating	1,785	1,810
Inventories	7,397	8,628
Other	838	1,175
Allowance for doubtful accounts	(0)	(1)
Total current assets	24,069	26,630
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,170	5,221
Other, net	4,694	4,965
Total property, plant and equipment	9,864	10,186
Intangible assets		
Goodwill	213	190
Other	245	263
Total intangible assets	458	454
Investments and other assets		
Investment securities	2,067	2,109
Deferred tax assets	198	177
Other	1,715	1,364
Allowance for doubtful accounts	(81)	(80)
Total investments and other assets	3,900	3,571
Total non-current assets	14,223	14,212
Total assets	38,293	40,842
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,563	4,099
Short-term borrowings	70	270
Current portion of long-term borrowings	435	933
Income taxes payable	262	85
Provision for bonuses	334	168
Provision for bonuses for directors (and other officers)	11	-
Current portion of bonds payable	3,000	-
Other provisions	17	15
Other	1,484	1,774
Total current liabilities	9,178	7,347
Non-current liabilities		
Bonds payable	-	1,500
Long-term borrowings	1,074	2,966
Retirement benefit liability	523	203
Other	509	466
Total non-current liabilities	2,107	5,136
Total liabilities	11,286	12,484

(Million yen)

	As of March 31,2022	As of June 30,2022
Net assets		
Shareholders' equity		
Share capital	12,372	12,372
Capital surplus	7,584	7,584
Retained earnings	4,100	4,106
Treasury shares	(276)	(277)
Total shareholders' equity	23,780	23,786
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	366	407
Foreign currency translation adjustment	2,561	3,865
Remeasurements of defined benefit plans	291	293
Total accumulated other comprehensive income	3,219	4,566
Non-controlling interests	6	5
Total net assets	27,006	28,358
Total liabilities and net assets	38,293	40,842

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Million yen)

	For the three months ended June 30,2021	For the three months ended June 30,2022
Net sales	7,101	7,930
Cost of sales	5,389	6,247
Gross profit	1,712	1,682
Selling, general and administrative expenses	1,402	1,449
Operating profit	309	233
Non-operating income		
Interest income	0	0
Dividend income	48	61
Rental income	76	84
Foreign exchange gains	-	53
Other	29	24
Total non-operating income	156	224
Non-operating expenses		
Interest expenses	7	9
Bond issuance costs	-	16
Rental expenses	28	32
Foreign exchange losses	6	-
Other	11	10
Total non-operating expenses	54	69
Ordinary profit	411	388
Extraordinary income		
Gain on sale of non-current assets	-	0
Gain on sale of investment securities	5	-
Total extraordinary income	5	0
Extraordinary losses		
Loss on disposal of non-current assets	4	-
Loss on sale of non-current assets	-	1
Total extraordinary losses	4	1
Profit before income taxes	412	387
Income taxes - current	70	78
Income taxes - deferred	(79)	(4)
Total income taxes	(9)	73
Profit	421	314
Loss attributable to non-controlling interests	(3)	(0)
Profit attributable to owners of parent	425	315

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

(Million yen)

	For the three months ended June 30,2021	For the three months ended June 30,2022
Profit	421	314
Other comprehensive income		
Valuation difference on available-for-sale securities	4	41
Foreign currency translation adjustment	19	1,303
Remeasurements of defined benefit plans, net of tax	4	2
Total other comprehensive income	28	1,347
Comprehensive income	450	1,661
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	454	1,662
Comprehensive income attributable to non-controlling interests	(3)	(0)