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Consolidated Financial Results for the Nine Months Ended December 31, 2022 [Japanese GAAP]

February 10, 2023

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

Scheduled date of filing quarterly securities report: February 13, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: No

Schedule of quarterly financial results briefing session: No

President and Representative Director
Director and Managing Executive Officer

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2022 (April 01, 2022 to December 31, 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	%
Nine months ended December 31, 2022	24,131	10.8	722	4.5	1,011	6.6	790	(17.6)
December 31, 2021	21,774	11.6	691	-	949	224.1	959	-

(Note) Comprehensive income: Nine months ended December 31, 2022: ¥ 2,025 million [38.0%]
 Nine months ended December 31, 2021: ¥ 1,467 million [-%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2022	95.67	-
December 31, 2021	116.13	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
December 31, 2022	40,077	28,679	71.6
March 31, 2022	38,293	27,006	70.5

(Reference) Equity: As of December 31, 2022: ¥ 28,679 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	-	0.00	-		
Fiscal year ending March 31, 2023 (Forecast)				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
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 nine months ended December 31, 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):

December 31, 2022: 8,385,093 shares

March 31, 2022: 8,385,093 shares

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

December 31, 2022: 127,862 shares

March 31, 2022: 127,150 shares

3) Average number of shares during the period:

Nine months ended December 31, 2022: 8,257,625 shares

Nine months ended December 31, 2021: 8,258,602 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of December 31,2022
Assets		
Current assets		
Cash and deposits	9,941	9,273
Notes and accounts receivable - trade, and contract assets	4,107	4,430
Electronically recorded monetary claims - operating	1,785	1,970
Inventories	7,397	8,877
Other	838	1,261
Allowance for doubtful accounts	(0)	(1)
Total current assets	24,069	25,812
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,170	5,004
Other, net	4,694	4,992
Total property, plant and equipment	9,864	9,997
Intangible assets		
Goodwill	213	92
Other	245	376
Total intangible assets	458	468
Investments and other assets		
Investment securities	2,067	2,371
Deferred tax assets	198	168
Other	1,715	1,336
Allowance for doubtful accounts	(81)	(77)
Total investments and other assets	3,900	3,799
Total non-current assets	14,223	14,265
Total assets	38,293	40,077
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,563	3,595
Short-term borrowings	70	30
Current portion of long-term borrowings	435	900
Income taxes payable	262	288
Provision for bonuses	334	172
Provision for bonuses for directors (and other officers)	11	-
Current portion of bonds payable	3,000	-
Other provisions	17	14
Other	1,484	1,714
Total current liabilities	9,178	6,715
Non-current liabilities		
Bonds payable	-	1,500
Long-term borrowings	1,074	2,489
Retirement benefit liability	523	225
Other	509	467
Total non-current liabilities	2,107	4,683
Total liabilities	11,286	11,398

(Million yen)

	As of March 31,2022	As of December 31,2022
Net assets		
Shareholders' equity		
Share capital	12,372	12,372
Capital surplus	7,584	7,540
Retained earnings	4,100	4,581
Treasury shares	(276)	(277)
Total shareholders' equity	23,780	24,216
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	366	663
Foreign currency translation adjustment	2,561	3,538
Remeasurements of defined benefit plans	291	260
Total accumulated other comprehensive income	3,219	4,462
Non-controlling interests	6	-
Total net assets	27,006	28,679
Total liabilities and net assets	38,293	40,077

Quarterly Consolidated Statements of Income and Comprehensive Income
 Quarterly Consolidated Statements of Income (For the nine months)

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Net sales	21,774	24,131
Cost of sales	16,675	18,977
Gross profit	5,098	5,154
Selling, general and administrative expenses	4,407	4,431
Operating profit	691	722
Non-operating income		
Interest income	2	4
Dividend income	74	95
Rental income	237	249
Foreign exchange gains	8	65
Other	77	70
Total non-operating income	399	486
Non-operating expenses		
Interest expenses	21	20
Rental expenses	93	107
Other	26	69
Total non-operating expenses	142	197
Ordinary profit	949	1,011
Extraordinary income		
Gain on sale of non-current assets	1	2
Gain on sale of investment securities	5	-
Total extraordinary income	7	2
Extraordinary losses		
Loss on disposal of non-current assets	8	0
Loss on sale of non-current assets	-	1
Total extraordinary losses	8	2
Profit before income taxes	948	1,012
Income taxes - current	218	227
Income taxes - refund	(65)	-
Income taxes - deferred	(155)	2
Total income taxes	(2)	230
Profit	951	782
Loss attributable to non-controlling interests	(7)	(8)
Profit attributable to owners of parent	959	790

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

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Profit	951	782
Other comprehensive income		
Valuation difference on available-for-sale securities	123	297
Foreign currency translation adjustment	413	976
Remeasurements of defined benefit plans, net of tax	(20)	(30)
Total other comprehensive income	516	1,243
Comprehensive income	1,467	2,025
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,475	2,033
Comprehensive income attributable to non-controlling interests	(7)	(8)