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## Consolidated Financial Results for the Three Months Ended June 30, 2024 [Japanese GAAP]

August 9, 2024

Company name: RHYTHM CO.,LTD.

Listing: Tokyo

Securities code: 7769

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

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: None

Holding of financial results briefing: None

President and Representative Director  
Director and Executive Officer

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

## 1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 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	%
Three months ended June 30, 2024	8,153	17.0	206	57.6	394	19.4	243	-
June 30, 2023	6,970	(12.1)	131	(43.7)	330	(15.0)	(101)	-

(Note) Comprehensive income: Three months ended June 30, 2024: ¥ 1,373 million [ 30.1%]  
Three months ended June 30, 2023: ¥ 1,055 million [ (36.5)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	29.51	-
June 30, 2023	(12.24)	-

## (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	46,791	32,118	68.6
March 31, 2024	43,573	31,145	71.5

(Reference) Equity: As of June 30, 2024: ¥ 32,118 million  
As of March 31, 2024: ¥ 31,145 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, 2024	-	0.00	-	48.50	48.50
Fiscal year ending March 31, 2025	-				
Fiscal year ending March 31, 2025 (Forecast)		0.00	-	73.00	73.00

(Note) Revision to the forecast for dividends announced most recently: None

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 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 September 30, 2024	17,400	19.7	450	170.4	600	36.6	300	-	36.34
Full year	35,500	8.9	1,800	146.4	2,000	58.8	1,200	151.2	145.34

(Note) Revision to the financial results forecast announced most recently: None

## \* Notes:

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: - (Company name: )  
Excluded: 1 (Company name: I Next GE Inc. )

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) 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

(4) Number of issued shares (common shares)

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

June 30, 2024: 8,385,093 shares  
March 31, 2024: 8,385,093 shares

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

June 30, 2024: 130,263 shares  
March 31, 2024: 129,913 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2024: 8,255,026 shares  
Three months ended June 30, 2023: 8,256,966 shares

\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes(voluntary)

\* Proper use of earnings forecasts, and other special matters

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	11,043	13,397
Notes and accounts receivable - trade	5,511	4,964
Electronically recorded monetary claims - operating	1,859	1,989
Inventories	7,980	8,319
Other	684	921
Allowance for doubtful accounts	(1)	(0)
Total current assets	27,076	29,592
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,794	5,779
Other, net	5,298	5,440
Total property, plant and equipment	11,092	11,219
Intangible assets		
Other	205	333
Total intangible assets	205	333
Investments and other assets		
Investment securities	3,405	3,730
Deferred tax assets	57	65
Other	1,804	1,916
Allowance for doubtful accounts	(67)	(66)
Total investments and other assets	5,199	5,645
Total non-current assets	16,496	17,198
<b>Total assets</b>	<b>43,573</b>	<b>46,791</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,400	3,265
Current portion of long-term borrowings	1,105	1,405
Income taxes payable	217	115
Provision for bonuses	345	295
Provision for bonuses for directors (and other officers)	10	-
Other provisions	9	9
Other	1,835	2,083
Total current liabilities	6,924	7,174
Non-current liabilities		
Bonds payable	2,500	3,500
Long-term borrowings	1,955	2,878
Retirement benefit liability	288	309
Other	760	809
Total non-current liabilities	5,503	7,498
<b>Total liabilities</b>	<b>12,427</b>	<b>14,672</b>

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Net assets		
Shareholders' equity		
Share capital	12,372	12,372
Capital surplus	7,540	7,540
Retained earnings	4,662	4,505
Treasury shares	(283)	(284)
Total shareholders' equity	24,292	24,134
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,489	1,729
Foreign currency translation adjustment	5,034	5,926
Remeasurements of defined benefit plans	329	327
Total accumulated other comprehensive income	6,853	7,983
Total net assets	31,145	32,118
Total liabilities and net assets	43,573	46,791

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

(Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Net sales	6,970	8,153
Cost of sales	5,425	6,496
Gross profit	1,544	1,657
Selling, general and administrative expenses	1,413	1,450
Operating profit	131	206
Non-operating income		
Interest income	3	4
Dividend income	74	80
Rental income	87	82
Foreign exchange gains	113	75
Other	14	21
Total non-operating income	292	264
Non-operating expenses		
Interest expenses	4	11
Rental expenses	32	33
Other	56	32
Total non-operating expenses	93	77
Ordinary profit	330	394
Extraordinary income		
Gain on sale of non-current assets	0	8
Total extraordinary income	0	8
Extraordinary losses		
Loss on disposal of non-current assets	0	-
Impairment losses	316	19
Total extraordinary losses	316	19
Profit before income taxes	13	383
Income taxes - current	127	127
Income taxes - deferred	(12)	11
Total income taxes	114	139
Profit (loss)	(101)	243
Profit (loss) attributable to owners of parent	(101)	243

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

(Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Profit (loss)	(101)	243
Other comprehensive income		
Valuation difference on available-for-sale securities	179	239
Foreign currency translation adjustment	1,024	892
Remeasurements of defined benefit plans, net of tax	(47)	(2)
Total other comprehensive income	1,156	1,129
Comprehensive income	1,055	1,373
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,055	1,373