November 12, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)

Company name: RHYTHM CO.,LTD.
Listing: Tokyo Stock Exchange
Securities code: 7769
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Scheduled date to file semi-annual securities report: November 12, 2025
Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: None
Holding of financial results briefing: Yes

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

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	16,584	3.8	1,018	193.0	1,153	83.2	1,810	437.5
September 30, 2024	15,983	9.9	347	109.0	629	43.3	336	-

Note: Comprehensive income For the six months ended September 30, 2025: ¥ 1,864 million [-%]
For the six months ended September 30, 2024: ¥ (487) million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	223.84	-
September 30, 2024	40.80	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2025	46,514	31,568	67.9
March 31, 2025	45,093	31,308	69.4

Reference: Equity
As of September 30, 2025: ¥ 31,568 million
As of March 31, 2025: ¥ 31,308 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	0.00	-	73.00	73.00
Fiscal year ending March 31, 2026	-	0.00			
Fiscal year ending March 31, 2026 (Forecast)			-	151.75	151.75

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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
Full year	33,500	2.6	1,550	89.5	1,800	55.1	2,000	163.6	251.19

Note: Revisions to the financial result forecast most recently announced: None

*** Notes**

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

Newly included: - companies( )

Excluded: 1 companies(RHYTHM U.S.A.,INC.)

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

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of September 30, 2025	8,385,093 shares
As of March 31, 2025	8,385,093 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2025	423,085 shares
As of March 31, 2025	131,166 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2025	8,087,178 shares
Six months ended September 30, 2024	8,254,873 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Proper use of forward-looking information)

Statements above relating to financial forecasts are based on information available to the Company and certain assumptions the Company considers reasonable as of the date of the announcement of these statements. Actual results may differ materially from these forecasts, depending on a variety of factors.

Please refer to the attached document, “1. Qualitative Information on Semi-annual Financial Results; (3) Explanation of Forward-Looking Information such as Consolidated Forecasts”, on page 3 for assumptions underlying the above forecasts and precautions regarding their use.

○Accompanying Materials – Contents

1. Qualitative Information on Semi-annual Financial Results

(1) Explanation of Operating Results

(1) Analysis of Financial Condition and Operating Results

Forward-looking statements described herein are based on judgments as of the end of the Semi-annual consolidated accounting period.

(Operating Results)

During the H1 of the current fiscal year (April 1, 2025 to September 30, 2025), the domestic economy showed a gradual recovery trend due to improvement in the employment and income environment and various policies, while the impact of export restrictions centered on the automotive industry due to U.S. tariff policies and rising prices of raw material and energy continued. Furthermore, the global economy remained uncertain due to the backlash from rush demand associated with U.S. tariff policies and the continued stagnation of China's real estate market.

Under the above situation, the Group's performance in the Precision parts business continued experiencing stagnant orders in the automotive-related business due to market changes. On the other hand, orders for machine tools and air-conditioning-related products remained strong, leading to increased sales. In the Livingware business, sales of comfortable products such as mobile fans expanded significantly, resulting in overall sales growth compared with the same period of the previous fiscal year.

In terms of profit, operating profit and ordinary profit increased due to improvements in the cost ratio and selling, general and administrative expense ratio, despite the impact of rising raw material and energy prices.

Semi-annual profit attributable to owners of parent also saw a significant increase due to gains on sales of fixed assets and on liquidation of a subsidiary.

As a result, net sales were ¥16,584 million (up 3.8% YoY), operating profit was ¥1,018 million (up 193.0% YoY), and semi-annual profit attributable to owners of parent was ¥1,810 million (up 437.5% YoY).

(Millions of yen)

		For the six-month consolidated period ended September 30, 2024	For the six-month consolidated period ended September 30, 2025	Changes	Rate of change
Net sales	Precision parts business	12,027	12,076	49	0.4%
	Livingware business	3,779	4,260	480	12.7%
	Other	176	247	70	40.0%
	Total	15,983	16,584	600	3.8%
Operating profit (loss)	Precision parts business	903	989	85	9.4%
	Livingware business	(312)	269	581	-
	Other	13	36	23	182.6%
	Adjustments	(256)	(276)	(19)	-
	Total	347	1,018	671	193.0%
Ordinary profit		629	1,153	523	83.2%
Six-month profit attributable to owners of parent		336	1,810	1,473	437.5%

The following is an analysis of these by business segment.

① Precision Parts Business

Domestically, there was a recovery in orders for machine tool parts, and orders in the fields of optics, air-conditioning equipment, and solar power also remained strong. Sales of automotive parts decreased YoY due to a decline in orders for BEV parts despite strong orders for HV parts in North America, reflecting changes in the market environment with continued stagnation in the European market. However, domestic sales and profits increased due to strong performances in other areas.

Overseas, the impact of decreased automobile sales was recognized in Southeast Asia (particularly Thailand and Indonesia). At the same time, sales of Japanese automakers remained weak in China. Orders for air-conditioning-related products remained strong as in the domestic market, but they were not sufficient to cover the decline in automotive-related sales, resulting in decreased sales. On the profit side, efforts to improve productivity and efficiency, including stronger inventory management, contributed to increase the profits.

As a result, both total sales and profits increased in the Precision parts business.

② Livingware Business

Domestically, net sales increased, driven significantly by the sales of mobile fans, which the Group is focusing on as a new business, while sales of clocks declined. In terms of profits, while not reaching profitability, operating profit improved significantly due to increased sales, the improvement of the cost of sales ratio, and the reduction in the ratio of selling, general and administrative expenses.

Overseas, sales in China increased as a result of efforts to strengthen sales. The sales of other areas and overall declined, affected by the closure of the North American base in the previous period. In terms of profits, there was a significant increase in profits due to the increased production of comfortable products and improved production efficiency at the Chinese factory.

As a result, overall sales and profits of Livingware business increased, and it turned profitable, recovering from an operating loss in the previous fiscal year.

③Other

In the business segment classified under "Other", overall sales and profits increased due to the contribution from a warehouse that began operations in Q3 of the previous fiscal year at the logistics subsidiary.

(2) Explanation of Financial Position

(Status of Financial Position)

(Assets)

Total assets were ¥46,514 million, an increase of ¥1,421 million compared to ¥45,093 million at the end of the previous fiscal year. Current assets increased by ¥290 million from the end of the previous fiscal year, despite a decrease in notes and accounts receivable, due to increases in cash and deposits and inventories. Non-current assets increased by ¥1,131 million from the end of the previous fiscal year, mainly due to an increase in investment securities.

(Liabilities)

Total liabilities were ¥14,945 million, an increase of ¥1,160 million compared to ¥13,784 million at the end of the previous fiscal year. Current liabilities increased by ¥449 million from the end of the previous fiscal year, mainly due to increases in notes and accounts payable and the current portion of long-term borrowings. Non-current liabilities increased by ¥711 million from the end of the previous fiscal year, mainly due to an increase in long-term borrowings.

(Net assets)

Total net assets were ¥31,568 million. This was an increase of ¥260 million compared to ¥31,308 million at the end of the previous fiscal year, mainly due to an increase in valuation difference on available-for-sale securities.

(3) Explanation of Forward-Looking Information such as Consolidated Forecasts

There are no changes to the consolidated forecast announced on August 8, 2025.

2. Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	13,219	13,594
Notes and accounts receivable - trade	4,930	4,435
Electronically recorded monetary claims - operating	1,678	1,776
Securities	300	300
Inventories	7,438	7,544
Other	797	1,002
Allowance for doubtful accounts	(0)	(0)
Total current assets	28,363	28,653
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,324	5,357
Other, net	5,707	5,523
Total property, plant and equipment	11,031	10,881
Intangible assets		
Leased assets	-	263
Other	491	320
Total intangible assets	491	583
Investments and other assets		
Investment securities	3,512	4,722
Deferred tax assets	55	60
Other	1,701	1,672
Allowance for doubtful accounts	(62)	(59)
Total investments and other assets	5,206	6,395
Total non-current assets	16,729	17,860
Total assets	45,093	46,514
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,996	3,235
Current portion of long-term borrowings	1,272	1,472
Income taxes payable	160	125
Provision for bonuses	351	463
Provision for bonuses for directors (and other officers)	33	-
Other provisions	17	8
Other	1,519	1,494
Total current liabilities	6,351	6,801
Non-current liabilities		
Bonds payable	4,000	4,000
Long-term borrowings	2,374	2,913
Retirement benefit liability	277	289
Other	781	941
Total non-current liabilities	7,432	8,144
Total liabilities	13,784	14,945

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Net assets		
Shareholders' equity		
Share capital	12,372	12,372
Capital surplus	7,540	7,540
Retained earnings	5,020	6,228
Treasury shares	(287)	(1,289)
Total shareholders' equity	24,645	24,852
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,607	1,937
Foreign currency translation adjustment	4,800	4,548
Remeasurements of defined benefit plans	254	230
Total accumulated other comprehensive income	6,662	6,716
Total net assets	31,308	31,568
Total liabilities and net assets	45,093	46,514

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statement of Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	15,983	16,584
Cost of sales	12,762	12,645
Gross profit	3,221	3,938
Selling, general and administrative expenses	2,873	2,919
Operating profit	347	1,018
Non-operating income		
Interest income	12	25
Dividend income	82	93
Rental income	164	153
Foreign exchange gains	117	-
Insurance claim income	-	36
Other	51	47
Total non-operating income	428	356
Non-operating expenses		
Interest expenses	24	40
Rental expenses	68	75
Foreign exchange losses	-	86
Other	53	19
Total non-operating expenses	146	222
Ordinary profit	629	1,153
Extraordinary income		
Gain on sale of non-current assets	27	584
Gain on liquidation of subsidiaries	-	191
Gain on cancellation of leases	97	-
Total extraordinary income	125	775
Extraordinary losses		
Loss on liquidation of business	112	-
Loss on disposal of non-current assets	-	10
Loss on sale of non-current assets	-	1
Impairment losses	75	25
Total extraordinary losses	188	37
Profit before income taxes	567	1,891
Income taxes - current	206	188
Income taxes - deferred	23	(107)
Total income taxes	230	81
Profit	336	1,810
Profit attributable to owners of parent	336	1,810

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Profit	336	1,810
Other comprehensive income		
Valuation difference on available-for-sale securities	(53)	330
Foreign currency translation adjustment	(735)	(252)
Remeasurements of defined benefit plans, net of tax	(35)	(24)
Total other comprehensive income	(824)	53
Comprehensive income	(487)	1,864
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(487)	1,864

(3) Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	567	1,891
Depreciation	622	667
Loss on liquidation of business	112	-
Gain on cancellation of lease	(97)	-
Impairment losses	75	25
Increase (decrease) in allowance for doubtful accounts	(3)	(2)
Increase (decrease) in retirement benefit liability	(6)	(10)
Decrease (increase) in retirement benefit asset	(18)	(16)
Increase (decrease) in provision for bonuses	92	112
Increase (decrease) in provision for bonuses for directors (and other officers)	(10)	(33)
Interest and dividend income	(95)	(119)
Interest expenses	24	40
Foreign exchange losses (gains)	62	(0)
Loss (gain) on disposal of non-current assets	-	10
Loss (gain) on sale of non-current assets	(27)	(583)
Decrease (increase) in trade receivables	1,229	351
Decrease (increase) in inventories	(71)	(150)
Increase (decrease) in trade payables	(400)	283
Increase (decrease) in accrued consumption taxes	(252)	131
Decrease (increase) in other assets	(194)	(261)
Increase (decrease) in other liabilities	49	(97)
Increase (decrease) in other provisions	(78)	-
Subtotal	1,580	2,238
Interest and dividends received	95	119
Interest paid	(24)	(40)
Income taxes refund (paid)	(216)	(162)
Expenditure pertaining to business consolidation	(15)	-
Net cash provided by (used in) operating activities	1,419	2,154
Cash flows from investing activities		
Purchase of securities	(300)	-
Purchase of property, plant and equipment	(404)	(699)
Proceeds from sale of property, plant and equipment	28	588
Purchase of intangible assets	(114)	(119)
Purchase of investment securities	(2)	(768)
Proceeds from collection of loans receivable	2	2
Other, net	10	0
Net cash provided by (used in) investing activities	(780)	(996)

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from financing activities		
Proceeds from long-term borrowings	2,000	1,500
Repayments of long-term borrowings	(627)	(761)
Proceeds from issuance of bonds	1,500	-
Purchase of treasury shares	(2)	(1,002)
Proceeds from sale of treasury shares	0	0
Dividends paid	(400)	(602)
Repayments of finance lease liabilities	(197)	(221)
Proceeds from sale and leaseback transactions	-	381
Net cash provided by (used in) financing activities	2,271	(704)
Effect of exchange rate change on cash and cash equivalents	(342)	(77)
Net increase (decrease) in cash and cash equivalents	2,568	375
Cash and cash equivalents at beginning of period	11,043	13,219
Cash and cash equivalents at end of period	13,611	13,594

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes on the Going Concern Assumption)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

The Company resolved, at the meeting of the Board of Directors held on June 23, 2025, the matters concerning the acquisition of own shares pursuant to the provisions of Article 156 of the Companies Act, as applied by replacing the relevant terms pursuant to the provisions of Article 165, Paragraph (3), and acquired 291,500 own shares for ¥999 million during the H1 of the current fiscal year. As a result, treasury shares amounted to ¥1,289 million as of September 30, 2025.

(Segment Information, etc.)

【Segment Information】

I Previous Semi-annual Consolidated Accounting Period (From April 1, 2024, to September 30, 2024)

1. Sales and Profit (loss) for Each Reportable Segment

(Millions of yen)

	Reportable segments			Other (NOTE)	Total
	Precision parts business	Livingware business	Total		
Net sales					
Revenues from external customers	12,027	3,779	15,806	176	15,983
Transactions with other segments	26	8	34	306	341
Total	12,054	3,787	15,841	483	16,325
Segment profit (loss)	903	(312)	591	13	604

(NOTE) "Other" is a business segment that is not included in the reportable segments, and includes the logistics business, etc

2. Difference between the Total Amount of Reportable Segment Profits and Losses and the Amount Recorded in the Semi-annual Consolidated Statement of Income, and Main Details of Said Difference (Matters Related to Difference Reconciliation)

(Millions of yen)

Profit	Amount
Reportable segment total	591
Income classified in "Other"	13
Elimination of inter-segment transactions	18
Expenses for the Group (NOTE)	(275)
Operating profit in the Semi-annual consolidated statement of income	347

(NOTE) Expenses for the Group are mainly general and administrative expenses that do not belong to any reportable segment.

3. Information on Impairment Loss on Non-current Assets and Goodwill for Each Reportable Segment

(Significant Impairment Loss on Non-current Assets)

In the "Livingware business", an impairment loss of ¥46 million was recognized on business assets due to declining profitability and stagnant business performance amid the overall deterioration of the business environment.

In the "Livingware business", the book value was reduced to the recoverable amount, and the decrease was recorded as an impairment loss of ¥29 million, due to the decision to dissolve its consolidated subsidiary RHYTHM U.S.A., INC.

II Current Semi-annual Consolidated Accounting Period (From April 1, 2025, to September 30, 2025)

1. Sales and Profit (loss) for Each Reportable Segment

(Millions of yen)

	Reportable segments			Other (NOTE)	Total
	Precision parts business	Livingware business	Total		
Net sales					
Revenues from external customers	12,076	4,260	16,336	247	16,584
Transactions with other segments	27	16	43	307	351
Total	12,104	4,276	16,380	555	16,936
Segment profit (loss)	989	269	1,258	36	1,295

(NOTE) "Other" is a business segment that is not included in the reportable segments, and includes the logistics business, etc.

2. Difference between the Total Amount of Reportable Segment Profits and Losses and the Amount Recorded in the Semi-annual Consolidated Statement of Income, and Main Details of Said Difference (Matters Related to Difference Reconciliation)

(Millions of yen)

Profit	Amount
Reportable segment total	1,258
Income classified in "Other"	36
Elimination of inter-segment transactions	9
Expenses for the Group (NOTE)	(285)
Operating profit in the semi-annual consolidated statement of income	1,018

(NOTE) Expenses for the Group are mainly general and administrative expenses that do not belong to any reportable segment.

3. Information on Impairment Loss on Non-current Assets and Goodwill for Each Reportable Segment

(Significant Impairment Loss on Fixed Assets)

In the “Livingware business”, an impairment loss of ¥25 million was recognized on business assets, as an operating loss continued to be recorded despite a recovery in business performance.

(Significant Subsequent Events)

Not applicable.