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Consolidated Financial Results for the Nine Months Ended December 31, 2024 [Japanese GAAP]

February 13, 2025

Company name: RHYTHM CO.,LTD.

Listing: Tokyo

Securities code: 7769

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

Representative: Takeo Yumoto

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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 Nine Months Ended December 31, 2024 (April 1, 2024 to December 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	%
Nine months ended December 31, 2024	25,386	8.3	656	18.0	958	6.5	549	539.0
December 31, 2023	23,440	(2.9)	556	(23.0)	899	(11.1)	86	(89.1)

(Note) Comprehensive income: Nine months ended December 31, 2024: ¥ 1,194 million [14.0%]
 Nine months ended December 31, 2023: ¥ 1,048 million [(48.3)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	66.58	-
December 31, 2023	10.42	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	46,563	31,936	68.6
March 31, 2024	43,573	31,145	71.5

(Reference) Equity: As of December 31, 2024: ¥ 31,936 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	-	0.00	-		
Fiscal year ending March 31, 2025 (Forecast)				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
Full year	33,000	1.2	1,200	64.3	1,600	27.1	1,000	109.3	121.14

(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: 2 (Company name: I Next GE Inc, .RHYTHM KYOSHIN HANOI CO.,LTD.)

- (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):

December 31, 2024: 8,385,093 shares

March 31, 2024: 8,385,093 shares

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

December 31, 2024: 131,038 shares

March 31, 2024: 129,913 shares

- 3) Average number of shares outstanding during the period:

Nine months ended December 31, 2024: 8,254,676 shares

Nine months ended December 31, 2023: 8,256,556 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 December 31, 2024
Assets		
Current assets		
Cash and deposits	11,043	13,227
Notes and accounts receivable - trade	5,511	5,146
Electronically recorded monetary claims - operating	1,859	1,779
Securities	-	300
Inventories	7,980	7,958
Other	684	1,065
Allowance for doubtful accounts	(1)	(0)
Total current assets	27,076	29,476
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,794	5,526
Other, net	5,298	5,740
Total property, plant and equipment	11,092	11,266
Intangible assets		
Other	205	454
Total intangible assets	205	454
Investments and other assets		
Investment securities	3,405	3,577
Deferred tax assets	57	56
Other	1,804	1,794
Allowance for doubtful accounts	(67)	(63)
Total investments and other assets	5,199	5,365
Total non-current assets	16,496	17,087
Total assets	43,573	46,563
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,400	2,906
Current portion of long-term borrowings	1,105	1,372
Income taxes payable	217	122
Provision for bonuses	345	266
Provision for bonuses for directors (and other officers)	10	-
Other provisions	9	17
Other	1,835	2,066
Total current liabilities	6,924	6,752
Non-current liabilities		
Bonds payable	2,500	4,000
Long-term borrowings	1,955	2,667
Retirement benefit liability	288	316
Other	760	890
Total non-current liabilities	5,503	7,874
Total liabilities	12,427	14,627

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Net assets		
Shareholders' equity		
Share capital	12,372	12,372
Capital surplus	7,540	7,540
Retained earnings	4,662	4,811
Treasury shares	(283)	(287)
Total shareholders' equity	24,292	24,437
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,489	1,627
Foreign currency translation adjustment	5,034	5,573
Remeasurements of defined benefit plans	329	297
Total accumulated other comprehensive income	6,853	7,498
Total net assets	31,145	31,936
Total liabilities and net assets	43,573	46,563

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

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales	23,440	25,386
Cost of sales	18,553	20,367
Gross profit	4,887	5,019
Selling, general and administrative expenses	4,330	4,362
Operating profit	556	656
Non-operating income		
Interest income	10	32
Dividend income	117	133
Rental income	258	245
Foreign exchange gains	103	58
Other	47	70
Total non-operating income	536	539
Non-operating expenses		
Interest expenses	18	40
Rental expenses	98	115
Special retirement expenses	36	-
Other	39	81
Total non-operating expenses	194	237
Ordinary profit	899	958
Extraordinary income		
Gain on sale of non-current assets	10	27
Gain on sale of investment securities	-	18
Gain on bargain purchase	299	-
Gain on cancellation of lease	-	97
Total extraordinary income	309	143
Extraordinary losses		
Loss on liquidation of business	-	64
Loss on disposal of non-current assets	0	0
Impairment losses	728	82
Total extraordinary losses	728	146
Profit before income taxes	480	955
Income taxes - current	279	280
Income taxes - deferred	114	125
Total income taxes	394	405
Profit	86	549
Profit attributable to owners of parent	86	549

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

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	86	549
Other comprehensive income		
Valuation difference on available-for-sale securities	261	138
Foreign currency translation adjustment	776	538
Remeasurements of defined benefit plans, net of tax	(75)	(32)
Total other comprehensive income	962	645
Comprehensive income	1,048	1,194
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,048	1,194