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February 13, 2026

Consolidated Financial Results for the Nine Months Ended December 31, 2025 (Under Japanese GAAP)



Company name: RHYTHM CO., LTD.

Listing: Tokyo Stock Exchange

Securities code: 7769

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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, 2025 (from April 1, 2025 to December 31, 2025)

(1) Consolidated operating results (cumulative)

(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, 2025	25,765	1.5	1,525	132.3	1,772	85.0	2,229	305.6
December 31, 2024	25,386	8.3	656	18.0	958	6.5	549	539.0
Note: Comprehensive income	For the nine months ended December 31, 2025:		¥	3,281 million		[174.6%	
	For the nine months ended December 31, 2024:		¥	1,194 million		[14.0%	

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2025	276.94	-
December 31, 2024	66.58	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of December 31, 2025	Millions of yen	Millions of yen	%
December 31, 2025	48,374	32,985	68.2
March 31, 2025	45,093	31,308	69.4

Reference: Equity

As of December 31, 2025:	¥	32,985 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
Fiscal year ended March 31, 2025	Yen -	Yen 0.00	Yen -	Yen 73.00	Yen 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 quarterly 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 December 31, 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 December 31, 2025	423,245 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)

Nine months ended December 31, 2025	8,049,589 shares
Nine months ended December 31, 2024	8,254,676 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

(Proper use of forward-looking information)

Forward-looking statements in this document are based on information available to the Company and certain assumptions the Company considers reasonable as of the date of this announcement. Actual results may differ materially from these forecasts, depending on a variety of factors.

Please refer to the attached materials, "1. Qualitative Information on Quarterly 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.

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1. Overview of Operating Results

(1) Overview of Operating Results for the Nine Months Ended December 31, 2025

Forward-looking statements described herein are based on judgments as of December 31, 2025.

(Overview of Operating Results)

During the nine months ended December 31, 2025 (April 1, 2025 to December 31, 2025), the domestic economy showed a gradual recovery trend, including a rebound in personal consumption due to improvements in the employment and income environment, and a recovery in capital investment driven by strong corporate earnings and responses to labor-saving investments. Meanwhile, the global economy remained uncertain due to the impact of U.S. policy trends, persistently high geopolitical risks, and delayed economic recovery in China caused by stagnation in the real estate market.

Under the above situation, the Group's operating results are as presented below. Overall sales increased in the Precision parts business. Although BEV-related part orders remained stagnant, strong demands for machine tool components continued and orders for AI data server-related parts were newly obtained. In the Livingware business, sales increased due to expanded sales of comfortable products such as handy fans and humidifiers, resulting in an overall increase in sales year-on-year.

In terms of profits, operating profit and ordinary profit increased due to improvements in the cost ratio through increased production of comfortable products at the Chinese factory and improved production efficiency, as well as the reduction of selling, general and administrative expenses. Profit attributable to owners of parent also increased significantly due to gains on land sales and gains on liquidation of a U.S. subsidiary.

As a result, sales for the nine months ended December 31, 2025 were ¥25,765 million (up 1.5% year-on-year), operating profit was ¥1,525 million (up 132.3% year-on-year), ordinary profit was ¥1,772 million (up 85.0% year-on-year), and net profit attributable to owners of parent was ¥2,229 million (up 305.6% year-on-year).

(Millions of yen)

		For the nine-month consolidated period ended December 31, 2024	For the nine-month consolidated period ended December 31, 2025	Changes	Rate of change
Net Sales	Precision parts business	19,316	19,353	36	0.2%
	Livingware business	5,770	6,031	261	4.5%
	Other	299	380	81	27.2%
	Total	25,386	25,765	379	1.5%
Operating profit (loss)	Precision parts business	1,647	1,742	95	5.8%
	Livingware business	(658)	128	786	-
	Other	43	64	20	47.1%
	Adjustments	(376)	(409)	(33)	-
	Total	656	1,525	868	132.3%
Ordinary profit		958	1,772	814	85.0%
Nine-months profit attributable to owners of parent		549	2,229	1,679	305.6%

The following is an analysis of these by business segment.

① Precision Parts Business

Domestically, orders for machine tool components continued to be strong, and in addition to increased orders for optical equipment-related parts and solar power generation-related parts, strong demand emerged for AI data server parts. In the mobility sector, although affected by the continued slump of European automakers, orders for HEV parts for domestic and North American markets remained steady. As a result, overall domestic sales and profits increased.

Overseas, while orders for new optical cable-related parts in Vietnam showed an increasing trend, automobile sales stayed stagnant in China and Southeast Asia, resulting in decreased overall sales overseas. On the profit side, profits increased due to efforts to improve productivity and efficiency, including stronger inventory management.

As a result, both total sales and profits increased in the Precision Parts Business.

② Livingware Business

Domestically, while clock sales decreased, overall sales increased attributable to sales expansion of comfortable products, which the Company is focusing on as a new business, such as the significant growth in handy fan sales through the first half of the current fiscal year and new humidifier product sales in the third quarter. On the profit side, due to the impact of the weak yen, the business did not achieve profitability and recorded an operating loss. However, cost reductions have progressed, in addition to increased sales and improved cost of sales ratio, resulting in significant improvement compared to the previous year.

Overseas, while sales decreased. In China, however, both sales of comfortable products and clocks increased due to new initiatives. Sales in other regions did not grow, and were therefore unable to offset the impact of closing the North American base in the previous fiscal year. On the profit side, profits increased and it turned profitable due to increased production of comfortable products and improved production efficiency at the Chinese base, as well as the closure of the unprofitable base mentioned above.

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.

③ Other

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

(2) Overview of Financial Position for the Nine Months Ended December 31, 2025

(Assets)

Total assets were ¥48,374 million, an increase of ¥3,281 million compared to ¥45,093 million at the end of the previous fiscal year. Current assets increased by ¥1,112 million from the end of the previous fiscal year, mainly due to increases in cash and deposits and inventories. Non-current assets increased by ¥2,169 million from the end of the previous fiscal year, mainly due to increases in production equipment, system-related investment, and investment securities.

(Liabilities)

Total liabilities were ¥15,389 million, an increase of ¥1,604 million compared to ¥13,784 million at the end of the previous fiscal year. Current liabilities increased by ¥1,031 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 ¥573 million from the end of the previous fiscal year, mainly due to an increase in long-term borrowings.

(Net assets)

Total net assets were ¥32,985 million. This was an increase of ¥1,676 million compared to ¥31,308 million at the end of the previous fiscal year, mainly due to increases in valuation difference on available-for-sale securities and foreign currency translation adjustment.

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

There are no changes to the consolidated forecast announced on August 8, 2025, considering the outlook for the fourth quarter and the incurrence of shareholder benefit expenses.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	13,219	13,711
Notes and accounts receivable - trade	4,930	4,905
Electronically recorded monetary claims - operating	1,678	1,940
Securities	300	300
Inventories	7,438	7,976
Other	797	643
Allowance for doubtful accounts	(0)	(0)
Total current assets	28,363	29,475
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,324	5,325
Other, net	5,707	5,802
Total property, plant and equipment	11,031	11,128
Intangible assets		
Leased assets	-	258
Other	491	393
Total intangible assets	491	651
Investments and other assets		
Investment securities	3,512	5,427
Deferred tax assets	55	57
Other	1,701	1,691
Allowance for doubtful accounts	(62)	(58)
Total investments and other assets	5,206	7,118
Total non-current assets	16,729	18,898
Total assets	45,093	48,374
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,996	3,376
Current portion of long-term borrowings	1,272	1,472
Income taxes payable	160	129
Provision for bonuses	351	268
Provision for bonuses for directors (and other officers)	33	-
Other provisions	17	9
Other	1,519	2,126
Total current liabilities	6,351	7,383
Non-current liabilities		
Bonds payable	4,000	4,000
Long-term borrowings	2,374	2,545
Retirement benefit liability	277	303
Other	781	1,157
Total non-current liabilities	7,432	8,005
Total liabilities	13,784	15,389

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Net assets		
Shareholders' equity		
Share capital	12,372	12,372
Capital surplus	7,540	7,540
Retained earnings	5,020	6,647
Treasury shares	(287)	(1,289)
Total shareholders' equity	24,645	25,270
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,607	2,327
Foreign currency translation adjustment	4,800	5,161
Remeasurements of defined benefit plans	254	225
Total accumulated other comprehensive income	6,662	7,714
Total net assets	31,308	32,985
Total liabilities and net assets	45,093	48,374

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the Nine-Month Period

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Net sales	25,386	25,765
Cost of sales	20,367	19,796
Gross profit	5,019	5,969
Selling, general and administrative expenses	4,362	4,443
Operating profit	656	1,525
Non-operating income		
Interest income	32	43
Dividend income	133	150
Rental income	245	224
Foreign exchange gains	58	-
Other	70	103
Total non-operating income	539	523
Non-operating expenses		
Interest expenses	40	62
Rental expenses	115	138
Foreign exchange losses	-	38
Other	81	36
Total non-operating expenses	237	276
Ordinary profit	958	1,772
Extraordinary income		
Gain on sale of non-current assets	27	586
Gain on sale of investment securities	18	-
Gain on liquidation of subsidiaries	-	191
Gain on cancellation of lease	97	-
Total extraordinary income	143	777
Extraordinary losses		
Loss on liquidation of business	64	-
Loss on disposal of non-current assets	0	10
Loss on sale of non-current assets	-	1
Impairment losses	82	42
Loss on valuation of investment securities	-	3
Total extraordinary losses	146	57
Profit before income taxes	955	2,493
Income taxes - current	280	285
Income taxes - deferred	125	(21)
Total income taxes	405	264
Profit	549	2,229
Profit attributable to owners of parent	549	2,229

(2) Quarterly Consolidated Statement of Comprehensive Income

For the Nine-Month Period

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Profit	549	2,229
Other comprehensive income		
Valuation difference on available-for-sale securities	138	720
Foreign currency translation adjustment	538	361
Remeasurements of defined benefit plans, net of tax	(32)	(29)
Total other comprehensive income	645	1,052
Comprehensive income	1,194	3,281
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,194	3,281

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on the Going Concern Assumption)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

At a meeting of the Board of Directors held on June 23, 2025, it was resolved to acquire the Company's 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) of the same Act. In the nine months ended December 31, 2025, the Company repurchased 291,5000 own shares for ¥999 million. As a result, treasury shares amounted to ¥1,289 million as of December 31, 2025.

(Notes on Changes in Scope of Consolidation)

RHYTHM U.S.A., INC., which was a consolidated subsidiary of the Company, has been excluded from the scope of consolidation due to the completion of its liquidation.

(Segment Information, etc.)

【Segment Information】

I For the Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 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	19,316	5,770	25,087	299	25,386
Transactions with other segments	35	11	47	471	518
Total	19,352	5,782	25,134	770	25,905
Segment profit (loss)	1,647	(658)	989	43	1,032

(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 profit (loss) of reportable segments and the amount recorded in the quarterly consolidated statements of income, and the main details of said difference (matters related to difference reconciliation)

(Millions of yen)

Profit	Amount
Reportable segment total	989
Profit classified in "Other"	43
Elimination of inter-segment transactions	25
Expenses for the Group (NOTE)	(401)
Operating profit in the quarterly consolidated statements of income	656

(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 ¥53 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 For the Nine Months Ended December 31, 2025 (April 1, 2025 to December 31, 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	19,353	6,031	25,385	380	25,765
Transactions with other segments	74	104	179	459	639
Total	19,428	6,136	25,564	840	26,405
Segment profit (loss)	1,742	128	1,871	64	1,935

(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 profit (loss) of reportable segments and the amount recorded in the quarterly consolidated statements of income, and the main details of said difference (matters related to difference reconciliation)

(Millions of yen)

Profit	Amount
Reportable segment total	1,871
Income classified in "Other"	64
Elimination of inter-segment transactions	14
Expenses for the Group (NOTE)	(424)
Operating profit in the quarterly consolidated statement of income	1,525

(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

In the "Livingware business", an impairment loss of ¥42 million was recognized on business assets due to declining profitability and stagnant business performance amid the overall deterioration of the business environment.

(Notes to Statements of Cash Flows)

Quarterly consolidated statements of cash flows for the nine months ended December 31, 2025 are not prepared. Depreciation expenses (including amortization of intangible assets) for the nine months ended December 31, 2025 are as follows.

	For the nine months ended December 31, 2024 (April 1, 2024 to December 31, 2024)	For the nine months ended December 31, 2025 (April 1, 2025 to December 31, 2025)
Depreciation	933 Millions of yen	1,054 Millions of yen

(Significant Subsequent Events)

(Merger between Consolidated Subsidiaries)

At the Board of Directors meeting held on January 28, 2026, the Company resolved the merger between its consolidated subsidiaries, RHYTHM HONG KONG CO., LTD. (hereinafter referred to as "RHK") and RHYTHM INDUSTRIAL (H.K.) LTD. (hereinafter referred to as "RIHK").

1. Purposes of the Merger

In its Livingware business segment, while the market of clocks, its traditional main product, is contracting, the Company is focusing on expanding sales in product areas such as handy fans, circulators, and humidifiers (comfortable products). Certain achievements have been seen in domestic sales, and the business turned profitable in the first half of the fiscal year ending March 2026.

Moving forward, the Company intends to expand the sales of comfortable products not only domestically but also overseas and promote further structural reforms.

By integrating the two bases in Hong Kong, RHK and RIHK, and establishing an overseas sales system centered on China, the main production base for this business, the Company aims to strengthen its sales and improve operational efficiency, targeting the expansion of Livingware product sales overseas.

2. Summary of the Merger

(1) Merger Schedule

Board Resolution Date (of the companies involved): January 2026 (planned)

Merger Date (Effective Date): June 2026 (planned)

(2) Merger Method

This is an absorption-type merger, with RHK as the surviving company and RIHK being absorbed.

(3) Details of Allocation Related to the Merger

Since this is a merger between wholly-owned subsidiaries of the Company, no allocation of shares or other compensation will be conducted.

(4) Handling of Stock Acquisition Rights and Bonds with Stock Acquisition Rights upon the Merger

Not applicable.

3. Overview of Companies Involved in the Merger

	Surviving Company	Absorbed Company
(1) Company Name	RHYTHM HONG KONG CO., LTD.	RHYTHM INDUSTRIAL (H.K.) LTD.
(2) Location	Unit 1-5, 17/F., Remington Centre, 23 Hung To Road, Kwun Tong, Kowloon, HONG KONG	Unit 1-5, 17/F., Remington Centre, 23 Hung To Road, Kwun Tong, Kowloon, HONG KONG
(3) Title and name of representative	Naoya Omori, Representative Director	Fumio Sekine, Representative Director
(4) Description of business	Sales of clocks, movements, and comfortable products	Sales of clocks, precision molded parts, etc.
(5) Share Capital	HKD 26,000,000	HKD 22,000,000
(6) Date of Establishment	March 9, 1990	November 1, 1991
(7) Fiscal Year End	March 31	March 31
(8) Major shareholders and ownership ratios	RHYTHM CO., LTD. (100%)	RHYTHM CO., LTD. (100%)

4. Status after the Merger

	Surviving Company
(1) Company Name	RHYTHM HONG KONG CO., LTD.
(2) Location	Unit 1-5, 17/F, Remington Centre, 23 Hung To Road, Kwun Tong, Kowloon, HONG KONG
(3) Title and name of representative	To be determined
(4) Description of business	Sales of clocks, movements, comfortable products, and precision molded parts, etc.
(5) Share Capital	HKD 26,000,000

5. Outlook

The impact of this merger on consolidated financial results will be negligible as it is a merger between wholly-owned subsidiaries of the Company.

(Introduction of Employee Stock Ownership Plan (ESOP) Trust)

1. Disposal of Treasury Shares Through Third-Party Allotment

The Company resolved, at the Board of Directors meeting held on January 28, 2026, to implement disposal of treasury shares through Third-Party Allotment due to the introduction of the Employee Stock Ownership Plan (ESOP).

(1)	Date of disposal	March 6 th , 2026 (planned)
(2)	Class and number of shares to be disposed	The Company's common shares: 139,600 shares
(3)	Disposal value	4,080 yen per share
(4)	Total disposal amount	569,568,000 yen (planned)
(5)	Disposal methods	Third-Party Allotment
(6)	Allottee	Sumitomo Mitsui Trust Bank, Limited (trust account) (Re-trustee: Custody Bank of Japan, Ltd. (trust account))
(7)	Other	The Treasury Share Disposal is conditional on filing under the Financial Instruments and Exchange Act taking effect.

2. Introduction of Employee Stock Ownership Plan (ESOP) Trust

① Outline of ESOP Trust

The Company resolved, at the Board of Directors meeting held on January 28, 2026, to introduce the ESOP Plan as part of employee benefit packages with the aim of improving corporate value over the medium- to long-term by enhancing sustainable asset building of the employees of the Group through the activation of the employee stock ownership plan and by providing incentives to its employees to take a greater part in its management and to improve business performance.

(1) Purpose of trust	Stable and continuous supply of shares of the Company's stock to the Association and delivery of trust assets to beneficiaries who are confirmed as beneficiaries through determination proceedings
(2) Trustor	the Company
(3) Trustee	Sumitomo Mitsui Trust Bank, Limited (Re-trustee: Custody Bank of Japan, Ltd. (trust account))
(4) Beneficiaries	Members of the Association who meet beneficiary requirements
(5) Type of trust	Money trust (Third-party beneficiary trust)
(6) Trust Contract Date	March 6, 2026 (planned)
(7) Trust Period	March 6, 2026 to the end of February 2031 (planned)

(2) Details of the Company's shares acquired by the ESOP Trust

(1) Shares to be acquired	the Company's common stock
(2) Total acquisition cost	569,568,000 yen (planned)
(3) Number of shares to be acquired	139,600 shares
(4) Date of acquisition of shares	March 6, 2026 (planned)
(5) Acquisition method of shares	Acquisition through the disposal of treasury shares (third-party allotment)