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## Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]

November 11, 2022

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

President and Representative Director  
Director and Managing Executive Officer

Scheduled date of filing quarterly securities report: November 14, 2022

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: No

Schedule of quarterly financial results briefing session: Yes

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

## 1. Consolidated Financial Results for the Six Months Ended September 30, 2022 (April 01, 2022 to September 30, 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	%
Six months ended September 30, 2022	16,599	19.8	433	62.6	729	68.4	600	33.1
September 30, 2021	13,855	15.1	266	-	432	-	451	-

(Note) Comprehensive income: Six months ended September 30, 2022: ¥ 2,738 million [ 277.4%]  
Six months ended September 30, 2021: ¥ 725 million [ -%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2022	72.72	-
September 30, 2021	54.65	-

## (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
September 30, 2022	41,716	29,435	70.6
March 31, 2022	38,293	27,006	70.5

(Reference) Equity: As of September 30, 2022: ¥ 29,431 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 six months ended September 30, 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):

September 30, 2022: 8,385,093 shares

March 31, 2022: 8,385,093 shares

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

September 30, 2022: 127,637 shares

March 31, 2022: 127,150 shares

## 3) Average number of shares during the period:

Six months ended September 30, 2022: 8,257,766 shares

Six months ended September 30, 2021: 8,258,784 shares

Quarterly Consolidated Financial Statements  
 Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of September 30,2022
<b>Assets</b>		
Current assets		
Cash and deposits	9,941	10,421
Notes and accounts receivable - trade, and contract assets	4,107	4,465
Electronically recorded monetary claims - operating	1,785	1,812
Inventories	7,397	9,383
Other	838	1,085
Allowance for doubtful accounts	(0)	(2)
Total current assets	24,069	27,166
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,170	5,200
Other, net	4,694	5,126
Total property, plant and equipment	9,864	10,326
Intangible assets		
Goodwill	213	151
Other	245	352
Total intangible assets	458	504
Investments and other assets		
Investment securities	2,067	2,178
Deferred tax assets	198	226
Other	1,715	1,393
Allowance for doubtful accounts	(81)	(78)
Total investments and other assets	3,900	3,718
Total non-current assets	14,223	14,549
Total assets	38,293	41,716
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,563	4,276
Short-term borrowings	70	-
Current portion of long-term borrowings	435	900
Income taxes payable	262	194
Provision for bonuses	334	341
Provision for bonuses for directors (and other officers)	11	-
Current portion of bonds payable	3,000	-
Other provisions	17	15
Other	1,484	1,634
Total current liabilities	9,178	7,362
Non-current liabilities		
Bonds payable	-	1,500
Long-term borrowings	1,074	2,714
Retirement benefit liability	523	241
Other	509	461
Total non-current liabilities	2,107	4,918
Total liabilities	11,286	12,280

(Million yen)

	As of March 31,2022	As of September 30,2022
Net assets		
Shareholders' equity		
Share capital	12,372	12,372
Capital surplus	7,584	7,584
Retained earnings	4,100	4,391
Treasury shares	(276)	(277)
Total shareholders' equity	23,780	24,071
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	366	474
Foreign currency translation adjustment	2,561	4,598
Remeasurements of defined benefit plans	291	286
Total accumulated other comprehensive income	3,219	5,359
Non-controlling interests	6	4
Total net assets	27,006	29,435
Total liabilities and net assets	38,293	41,716

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

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Net sales	13,855	16,599
Cost of sales	10,654	13,140
Gross profit	3,200	3,458
Selling, general and administrative expenses	2,934	3,025
Operating profit	266	433
Non-operating income		
Interest income	2	2
Dividend income	49	62
Rental income	154	164
Foreign exchange gains	8	145
Other	53	52
Total non-operating income	267	427
Non-operating expenses		
Interest expenses	15	14
Rental expenses	62	57
Other	23	59
Total non-operating expenses	101	131
Ordinary profit	432	729
Extraordinary income		
Gain on sale of non-current assets	1	3
Gain on sale of investment securities	5	-
Total extraordinary income	7	3
Extraordinary losses		
Loss on disposal of non-current assets	3	0
Loss on sale of non-current assets	3	1
Total extraordinary losses	7	1
Profit before income taxes	432	730
Income taxes - current	135	188
Income taxes - refund	(63)	-
Income taxes - deferred	(81)	(56)
Total income taxes	(10)	132
Profit	443	598
Loss attributable to non-controlling interests	(8)	(2)
Profit attributable to owners of parent	451	600

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

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Profit	443	598
Other comprehensive income		
Valuation difference on available-for-sale securities	152	107
Foreign currency translation adjustment	142	2,037
Remeasurements of defined benefit plans, net of tax	(12)	(4)
Total other comprehensive income	282	2,140
Comprehensive income	725	2,738
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	733	2,740
Comprehensive income attributable to non-controlling interests	(8)	(2)

## Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	432	730
Depreciation	540	686
Amortization of goodwill	171	100
Increase (decrease) in allowance for doubtful accounts	(1)	(4)
Increase (decrease) in retirement benefit liability	(15)	(30)
Decrease (increase) in retirement benefit asset	(18)	(10)
Increase (decrease) in provision for bonuses	65	7
Increase (decrease) in provision for bonuses for directors (and other officers)	(1)	(11)
Interest and dividend income	(51)	(64)
Interest expenses	15	14
Foreign exchange losses (gains)	(2)	(113)
Loss (gain) on disposal of non-current assets	3	0
Loss (gain) on sale of non-current assets	2	(1)
Loss (gain) on sale of investment securities	(5)	-
Decrease (increase) in trade receivables	421	5
Decrease (increase) in inventories	(1,086)	(1,357)
Increase (decrease) in trade payables	188	348
Increase (decrease) in accrued consumption taxes	(299)	119
Decrease (increase) in other assets	5	(172)
Increase (decrease) in other liabilities	117	0
Subtotal	480	244
Interest and dividends received	51	64
Interest paid	(15)	(12)
Income taxes refund (paid)	(19)	(242)
Net cash provided by (used in) operating activities	496	55
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(555)	(445)
Proceeds from sale of property, plant and equipment	6	7
Purchase of intangible assets	(6)	(86)
Purchase of investment securities	(1)	(1)
Proceeds from sales of investments securities	6	-
Proceeds from collection of loans receivable	2	2
Other, net	-	14
Net cash provided by (used in) investing activities	(547)	(509)

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term borrowings	(62)	(70)
Proceeds from long-term borrowings	-	2,500
Repayments of long-term borrowings	(218)	(394)
Proceeds from issuance of bonds	-	1,500
Redemption of bonds	-	(3,000)
Purchase of treasury shares	(0)	(0)
Proceeds from sale of treasury shares	-	0
Dividends paid	(247)	(309)
Repayments of finance lease liabilities	(14)	(98)
Net cash provided by (used in) financing activities	(544)	126
Effect of exchange rate change on cash and cash equivalents	61	807
Net increase (decrease) in cash and cash equivalents	(533)	479
Cash and cash equivalents at beginning of period	10,276	9,941
Cash and cash equivalents at end of period	9,742	10,421