August 7, 2026

Consolidated Financial Results for the Three Months Ended June 30, 2026 (Under Japanese GAAP)

Company name: RHYTHM CO.,LTD.
Listing: Tokyo Stock Exchange
Securities code: 7769
URL: https://www.rhythm.co.jp/
Representative: Takeo Yumoto — President and Representative Director
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Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: None
Holding of financial results briefing: None

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

1. Consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	9,015	7.5	564	(4.2)	629	(14.7)	376	(75.1)
June 30, 2025	8,382	2.8	589	185.0	738	87.2	1,511	520.7

Note: Comprehensive income
For the three months ended June 30, 2026: ¥ 1,697 million [97.2%]
For the three months ended June 30, 2025: ¥ 860 million [(37.3) %]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	47.29	-
June 30, 2025	184.81	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	50,119	34,308	68.5
March 31, 2026	48,961	33,937	69.3

Reference: Equity
As of June 30, 2026: ¥ 34,308 million
As of March 31, 2026: ¥ 33,937 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, 2026	-	0.00	-	167.60	167.60
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (Forecast)		80.00	-	87.60	167.60

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

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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, 2026	18,400	10.9	1,100	8.0	1,300	12.7	1,000	(44.8)	124.54
Full year	37,000	6.5	2,000	26.0	2,300	16.2	1,700	(26.5)	211.72

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

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - companies( )

Excluded: - companies( )

(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 June 30, 2026	8,385,093 shares
As of March 31, 2026	8,385,093 shares

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

As of June 30, 2026	415,808 shares
As of March 31, 2026	423,445 shares

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

Three months ended June 30, 2026	7,965,049 shares
Three months ended June 30, 2025	8,180,990 shares

* The number of treasury shares at the end of the fiscal year includes the Company's shares held by the ESOP trust account. In addition, the Company's shares held by the ESOP trust account are included in the number of treasury shares to be deducted in the calculation of the average number of shares during the period.

* 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

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. Overview of Operating 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. Overview of Operating Results

(1) Overview of Operating Results for the Three Months Ended June 30, 2026

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

(Overview of Operating Results)

During the three months ended June 30, 2026 (April 1, 2026 to June 30, 2026), the domestic economy continued its moderate recovery, supported by improvements in the employment and income environment and capital investment driven by strong corporate earnings and responses to labor-saving investments. Meanwhile, prices, including energy and food prices, continued to rise. In the global economy, uncertainty continues due to trade issues arising from U.S. tariff policies and geopolitical risks in the Middle East.

Under these circumstances, the Group's performance is as follows: Net sales in the Livingware business significantly decreased, due to sluggish sales of handy fans which were affected by the gradual rise in temperature from April to June, while the sales in Precision parts business increased, as orders remained strong overall, mainly for automotive parts which are the core products of the business. As a result, overall sales increased compared to the same period of the previous fiscal year.

On the profit side, the Livingware business recorded a decline in profit due to the slow start in sales of handy fans. However, the Precision parts business secured an increase in profit, resulting in a slight decrease in overall operating profit.

As a result, sales for the three months ended June 30, 2026 were ¥9,015 million (up 7.5% year-on-year), operating profit was ¥564 million (down 4.2% year-on-year), and ordinary profit was ¥629 million (down 14.7% year-on-year) due to foreign exchange losses and other factors. Quarterly profit attributable to owners of parent was ¥376 million (down 75.1% year-on-year), due to the absence of gains on sales of non-current assets and gains on liquidation of subsidiaries recorded in the previous fiscal year.

(Millions of yen)

		For the three-month consolidated period ended June 30, 2025	For the three-month consolidated period ended June 30, 2026	Changes	Rate of change
Net Sales	Precision parts business	5,804	7,224	1,419	24.5%
	Livingware business	2,463	1,658	(805)	(32.7%)
	Other	114	132	18	16.3%
	Total	8,382	9,015	632	7.5%
Operating Profit (loss)	Precision parts business	371	817	445	119.8%
	Livingware business	332	(171)	(504)	-
	Other	17	25	7	44.7%
	Adjustments	(132)	(106)	26	-
	Total	589	564	(24)	(4.2%)
Ordinary profit		738	629	(108)	(14.7%)
Quarterly profit attributable to owners of parent		1,511	376	(1,135)	(75.1%)

The following is an analysis of these by business segment.

(1) Precision parts business

Domestically, orders for HEV parts for domestic and North American markets progressed steadily in the mobility sector. Orders for machine tool parts, semiconductor manufacturing equipment, AI data servers, and air-conditioning parts remained strong. As a result, overall domestic sales and profits increased.

Overseas, while mobility-related parts in China and Southeast Asia remained at the same level as the previous year, orders for new optical cable-related parts and OEM products for North America in Vietnam remained strong, resulting in overall sales increase. On the profit side, profitability improved with the increased sales. Consequently, both overall overseas sales and profit increased.

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

(2) Livingware business

Domestically, sales of handy fans, which drove business growth in the previous summer, failed to grow this year due to the gradual rise in temperature from April to June. In addition, sales of clocks declined as the market continued to shrink. On the profit side, in addition to the lower sales and the resulting decline in production volume, rising material costs and the depreciation of the yen had a significant impact, resulting in an operating loss and a decline in profit compared with the previous year.

Overseas, sales of handy fans, clocks, and other products in China remained strong, resulting in increased sales. On the profit side, profits decreased due to lower production volumes for the Japanese market at manufacturing bases in China.

As a result, overall sales and profit decreased in the Livingware business, and the business posted an operating loss.

(3) Other

In the Other business segment, the warehousing business of a logistics subsidiary contributed to performance, resulting in increases in both sales and profit overall.

(2) Overview of Financial Position for the Three Months Ended June 30, 2026

(Assets)

Total assets were ¥50,119 million, an increase of ¥1,157 million compared to ¥48,961 million at the end of the previous fiscal year. Current assets decreased by ¥741 million from the end of the previous fiscal year, mainly due to a decrease in cash and deposits. Non-current assets increased by ¥1,898 million from the end of the previous fiscal year, mainly due to increases in property, plant and equipment and investment securities.

(Liabilities)

Total liabilities were ¥15,810 million, an increase of ¥786 million compared to ¥15,024 million at the end of the previous fiscal year. Current liabilities increased by ¥284 million from the end of the previous fiscal year, mainly due to an increase in lease liabilities included in other current liabilities. Non-current liabilities increased by ¥501 million from the end of the previous fiscal year, mainly due to an increase in long-term deferred tax liabilities included in other non-current liabilities.

(Net assets)

Total net assets were ¥34,308 million. This was an increase of ¥370 million compared to ¥33,937 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 Forecasts

There are no changes to the consolidated forecast announced on May 14, 2026.

Quarterly Consolidated Financial Statements and Primary Notes

Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	14,013	12,677
Notes and accounts receivable - trade	4,891	4,942
Electronically recorded monetary claims - operating	1,773	1,922
Securities	300	300
Inventories	7,818	8,134
Other	535	614
Allowance for doubtful accounts	(0)	(0)
Total current assets	29,332	28,590
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,239	5,175
Other, net	5,730	6,040
Total property, plant and equipment	10,969	11,215
Intangible assets		
Leased assets	254	462
Other	402	294
Total intangible assets	656	757
Investments and other assets		
Investment securities	5,926	7,495
Deferred tax assets	57	58
Other	2,075	2,056
Allowance for doubtful accounts	(57)	(55)
Total investments and other assets	8,002	9,554
Total non-current assets	19,629	21,528
Total assets	48,961	50,119
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,737	2,678
Current portion of long-term borrowings	1,472	1,472
Income taxes payable	194	99
Provision for bonuses	407	294
Provision for bonuses for directors (and other officers)	53	-
Provision for shareholder benefit program	369	82
Other provisions	12	9
Other	1,533	2,429
Total current liabilities	6,781	7,065
Non-current liabilities		
Bonds payable	4,000	4,000
Long-term borrowings	2,746	2,378
Retirement benefit liability	305	307
Other	1,191	2,059
Total non-current liabilities	8,243	8,745
Total liabilities	15,024	15,810

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Net assets		
Shareholders' equity		
Share capital	12,372	12,372
Capital surplus	7,684	7,684
Retained earnings	6,729	5,748
Treasury shares	(1,434)	(1,403)
Total shareholders' equity	25,352	24,402
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,708	3,815
Foreign currency translation adjustment	5,445	5,671
Remeasurements of defined benefit plans	430	418
Total accumulated other comprehensive income	8,584	9,905
Total net assets	33,937	34,308
Total liabilities and net assets	48,961	50,119

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the Three-Month Period

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Net sales	8,382	9,015
Cost of sales	6,342	6,984
Gross profit	2,040	2,031
Selling, general and administrative expenses	1,450	1,466
Operating profit	589	564
Non-operating income		
Interest income	10	14
Dividend income	90	99
Rental income	79	72
Insurance claim income	36	-
Other	27	34
Total non-operating income	245	220
Non-operating expenses		
Interest expenses	17	22
Rental expenses	39	32
Foreign exchange losses	31	95
Other	9	6
Total non-operating expenses	97	156
Ordinary profit	738	629
Extraordinary income		
Gain on sale of non-current assets	568	1
Gain on liquidation of subsidiaries	191	-
Total extraordinary income	759	1
Extraordinary losses		
Loss on disposal of non-current assets	9	-
Loss on sale of non-current assets	1	-
Impairment losses	-	50
Total extraordinary losses	10	50
Profit before income taxes	1,486	580
Income taxes - current	100	86
Income taxes - deferred	(125)	116
Total income taxes	(24)	203
Profit	1,511	376
Profit attributable to owners of parent	1,511	376

Quarterly Consolidated Statement of Comprehensive Income

For the Three-Month Period

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Profit	1,511	376
Other comprehensive income		
Valuation difference on available-for-sale securities	(44)	1,106
Foreign currency translation adjustment	(588)	225
Remeasurements of defined benefit plans, net of tax	(17)	(11)
Total other comprehensive income	(650)	1,320
Comprehensive income	860	1,697
(Breakdown)		
Comprehensive income attributable to owners of parent	860	1,697

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on the Going Concern Assumption)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Segment information, etc.)

【Segment Information】

I For the Three Months Ended June 30, 2025 (April 1, 2025 to June 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	5,804	2,463	8,268	114	8,382
Transactions with other segments	13	12	25	163	188
Total	5,818	2,476	8,294	277	8,571
Segment profit (loss)	371	332	704	17	722

(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
Total profit of reportable segments	704
Profit classified in "Other"	17
Elimination of inter-segment transactions	4
Expenses for the Group (NOTE)	(136)
Operating profit in the quarterly consolidated statement of income	589

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

II For the Three Months Ended June 30, 2026 (April 1, 2026 to June 30, 2026)

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	7,224	1,658	8,882	132	9,015
Transactions with other segments	145	73	218	139	358
Total	7,369	1,731	9,101	272	9,373
Segment profit (loss)	817	(171)	645	25	671

(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
Total profit of reportable segments	645
Profit classified in "Other"	25
Elimination of inter-segment transactions	7
Expenses for the Group (NOTE)	(113)
Operating profit in the quarterly consolidated statement of income	564

(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)

The impairment loss on non-current assets of 50 million yen was recorded in the "Livingware business".

(Notes to Statements of Cash Flows)

Quarterly consolidated statements of cash flows for the three months ended June 30, 2026 have not been prepared. Depreciation expense for the three months ended June 30, 2026 is as follow
s;

	For the three months ended June 30, 2025 (April 1, 2025 to June 30, 2025)	For the three months ended June 30, 2026 (April 1, 2026 to June 30, 2026)
Depreciation	314 Million yen	363 Million yen

(Significant Subsequent Events)

RHYTHM CO., LTD. (the "Company") has resolved, at the meeting of the Board of Directors held on July 24, 2026, to acquire the business of TOHTEC CO., LTD. (hereinafter referred to as "TOHTEC") Accordingly, the Company entered into a Share Transfer Agreement on the same date for the acquisition of the shares of a newly established company that will succeed such business through an incorporation-type company split conducted by TOHTEC.

(1) Overview of the Target Company to be Acquired (Planned)

(1) Name	RHYTHM TOHTEC CO., LTD.
(2) Address	1-50 Miyanodai, Tonosho-machi, Katori-gun, Chiba
(3) Title and name of representative	President and Representative Director, Yoshikazu Kitajima
(4) Description of business	Plating processing business (tin plating, nickel plating, etc.)
(5) Capital	¥10 million
(6) Date of Establishment	September 7, 2026
(7) Shareholder before share transfer	TOHTEC CO., LTD. (100%)

(2) Overview of the Counterparty

(1) Name	TOHTEC CO., LTD.
(2) Address	2-13-7 Shimomeguro, Meguro-ku, Tokyo
(3) Title and name of representative	Representative Director, Yasuhiro Sakate
(4) Description of business	Plating business
(5) Capital	¥45 million
(6) Date of Establishment	June 20, 1968

(3) Reason for the Acquisition of Shares

TOHTEC operates a plating business that plays an important role in the manufacturing process of terminal products in the Company's Precision parts business, and the Company outsources plating processes to TOHTEC. Since plating processing is an important process that supports the quality and stable supply of the Company's terminal products, the Company has resolved to proceed with this share acquisition with the aim of further improving QCD (quality, cost, delivery) and strengthening the supply chain in the Precision parts business.

The Group has positioned the Medium-Term Management Plan 2027 as a phase of "realization of new growth by establishing a business model," and has set forth "integrated manufacturing" as a group-wide policy. Through the acquisition of plating business, the Company intends to strengthen its manufacturing capabilities, improve production efficiency and technological expertise, and expand business opportunities.

(4) Date of the Acquisition of Shares

September 7, 2026 (planned)

(5) Breakdown of Acquisition Cost by Type of Consideration

The acquisition price has not been disclosed due to confidentiality obligations with the counterparty.

(6) Amount and breakdown of assets to be acquired and liabilities to be assumed

Not determined at this time.