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November 13, 2026

Consolidated Financial Results for the Six Months Ended September 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 file semi-annual securities report: November 13, 2026
Scheduled date to commence dividend payments: December 7, 2026
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, 2026 (from April 1, 2026 to September 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	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	18,021	8.7	937	(8.0)	1,067	(7.4)	780	(56.9)
September 30, 2025	16,584	3.8	1,018	193.0	1,153	83.2	1,810	437.5

Note: Comprehensive income For the six months ended September 30, 2026: ¥ 1,998 million [7.2%]
For the six months ended September 30, 2025: ¥ 1,864 million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	97.95	-
September 30, 2025	223.84	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	49,688	34,634	69.7
March 31, 2026	48,961	33,937	69.3

Reference: Equity
As of September 30, 2026: ¥ 34,634 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	-	80.00			
Fiscal year ending March 31, 2027 (Forecast)			-	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
Full year	36,000	3.6	1,600	0.8	1,850	(6.5)	1,300	(43.8)	163.13

Note: Revisions to the financial result forecast most recently announced: Yes

*** 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 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, 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 September 30, 2026	409,627 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)

Six months ended September 30, 2026	7,969,109 shares
Six months ended September 30, 2025	8,087,178 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

(Explanation on the 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 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 2
(1) Explanation of Operating Results 2
(2) Explanation of Financial Position 3
(3) Explanation of Forward-Looking Information such as Consolidated Forecasts 3
2. Semi-annual Consolidated Financial Statements and Primary Notes 5
(1) Semi-annual Consolidated Balance Sheet 5
(2) Semi-annual Consolidated Statements of Income and Comprehensive Income 7
(3) Semi-annual Consolidated Statements of Cash Flows 9
(4) Notes to Semi-annual Consolidated Financial Statements 11
(Notes on the Going Concern Assumption) 11
(Notes on Significant Changes in Shareholders' Equity) 11
(Segment Information, etc.) 12
(Significant Subsequent Events) 14

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 semi-annual consolidated accounting period (April 1, 2026 to September 30, 2026), the domestic economy followed a gradual recovery trend, with signs of a pickup in personal consumption, capital investment, exports and production, supported by improvements in the employment and income environment. Corporate earnings and employment conditions continued to improve, and consumer prices rose moderately. On the other hand, uncertainty about the outlook persists due to the situation in the Middle East, the impact of natural disasters, and fluctuations in financial and capital markets, and these developments need to be closely monitored.

Under these circumstances, sales of the Livingware business decreased significantly due to sluggish sales of seasonal summer products affected by unseasonable weather. On the other hand, sales of the Precision parts business increased significantly as orders remained strong across the board, centered on mobility parts, parts for machine tools, and AI-related components. As a result, overall sales increased compared with the same period of the previous fiscal year.

On the profit side, although profit in the Precision parts business increased significantly, it was not enough to offset the decrease in profit in the Livingware business, and overall operating profit decreased. In addition, semi-annual profit attributable to owners of parent decreased significantly year on year, reflecting the absence of the gain on sale of land and the gain associated with the liquidation of a U.S. subsidiary recorded in the previous fiscal year.

As a result, net sales for the semi-annual consolidated accounting period were ¥18,021 million (up 8.7% YoY), operating profit was ¥937 million (down 8.0% YoY), and semi-annual profit attributable to owners of parent was ¥780 million (down 56.9% YoY).

(Millions of yen)

		For the six-month consolidated period ended September 30, 2025	For the six-month consolidated period ended September 30, 2026	Changes	Rate of change
Net sales	Precision parts business	12,076	14,305	2,228	18.5%
	Livingware business	4,260	3,456	(803)	(18.9%)
	Other	247	259	12	5.0%
	Total	16,584	18,021	1,437	8.7%
Operating Profit (loss)	Precision parts business	989	1,430	440	44.6%
	Livingware business	269	(309)	(579)	—
	Other	36	42	5	15.7%
	Adjustments	(276)	(225)	51	—
	Total	1,018	937	(81)	(8.0%)
Ordinary profit		1,153	1,067	(85)	(7.4%)
Semi-annual profit attributable to owners of parent		1,810	780	(1,029)	(56.9%)

The following is an analysis of these by business segment.

① Precision parts business

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

Overseas, while mobility-related parts in China and Southeast Asia remained at the previous year's level, orders for optical cable-related parts in Vietnam and OEM products for North America remained strong, resulting in an overall sales increase. On the profit side, profit declined due to a higher cost of sales ratio resulting from soaring raw material prices and other factors. Consequently, overall overseas sales increased while profits decreased.

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

② Livingware business

Domestically, clock sales, which have been affected by market contraction, declined only slightly year on year owing to improvements in the supply situation for certain products. Meanwhile, sales of comfortable products fell sharply due to a decline in sales of seasonal summer products affected d by unseasonable weather, resulting in a significant decline in sales for the domestic Livingware business as a whole. On the profit side, profits decreased due to the significant decline in sales of comfort products and the continued impact of the weak yen. As a result, overall domestic sales and profits decreased, resulting in an operating loss.

Overseas, sales increased owing to higher sales of clocks and OEM products in China. On the profit side, profits decreased due to a decline in production volume for the Japanese market at production bases in China. Consequently, overall overseas sales increased while profits decreased, but an operating profit was recorded.

As a result, overall sales and profits of the Livingware business decreased, resulting in an operating loss.

③ Other

In the business segment classified under "Other", overall sales and profits increased due to the contribution from the warehousing business at the logistics subsidiary.

(2) Explanation of Financial Position

(Status of Financial Position)

(Assets)

Total assets were ¥49,688 million, an increase of ¥726 million compared to ¥48,961 million at the end of the previous fiscal year. Current assets decreased by ¥1,705 million from the end of the previous fiscal year, despite increases in notes and accounts receivable and inventories, mainly due to a decrease in cash and deposits. Non-current assets increased by ¥2,431 million from the end of the previous fiscal year, mainly due to an increase in investment securities.

(Liabilities)

Total liabilities were ¥15,054 million, an increase of ¥29 million compared to ¥15,024 million at the end of the previous fiscal year. Current liabilities decreased by ¥120 million from the end of the previous fiscal year, mainly due to decreases in current portion of long-term borrowings and provision for shareholder benefit plan. Non-current liabilities increased by ¥150 million from the end of the previous fiscal year, despite a decrease in long-term borrowings, mainly due to an increase in deferred tax liabilities included in "Other."

(Net assets)

Total net assets were ¥34,634 million. This was an increase of ¥696 million compared to ¥33,937 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

The consolidated financial forecast announced on May 14, 2026, has been revised in light of the actual results for the first six months of the fiscal year ending March 31, 2027 and the latest outlook for the remainder of the fiscal year.

Details of the revision are set forth in “Notice Concerning Difference between Forecast and Actual Results and Revision of Full-Year Consolidated Forecast” announced today.

2. Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	14,013	11,368
Notes and accounts receivable - trade	4,891	4,990
Electronically recorded monetary claims - operating	1,773	1,904
Securities	300	300
Inventories	7,818	8,398
Other	535	667
Allowance for doubtful accounts	(0)	(0)
Total current assets	29,332	27,627
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,239	5,053
Other, net	5,730	5,995
Total property, plant and equipment	10,969	11,048
Intangible assets		
Leased assets	254	453
Other	402	305
Total intangible assets	656	759
Investments and other assets		
Investment securities	5,926	8,201
Deferred tax assets	57	59
Other	2,075	2,045
Allowance for doubtful accounts	(57)	(54)
Total investments and other assets	8,002	10,252
Total non-current assets	19,629	22,060
Total assets	48,961	49,688
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,737	2,926
Current portion of long-term borrowings	1,472	1,347
Income taxes payable	194	177
Provision for bonuses	407	528
Provision for bonuses for directors (and other officers)	53	-
Provision for shareholder benefit plan	369	-
Other provisions	12	9
Other	1,533	1,672
Total current liabilities	6,781	6,660
Non-current liabilities		
Bonds payable	4,000	4,000
Long-term borrowings	2,746	2,086
Retirement benefit liability	305	303
Other	1,191	2,003
Total non-current liabilities	8,243	8,393
Total liabilities	15,024	15,054

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Net assets		
Shareholders' equity		
Share capital	12,372	12,372
Capital surplus	7,684	7,684
Retained earnings	6,729	6,152
Treasury shares	(1,434)	(1,378)
Total shareholders' equity	25,352	24,831
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,708	4,129
Foreign currency translation adjustment	5,445	5,273
Remeasurements of defined benefit plans	430	398
Total accumulated other comprehensive income	8,584	9,802
Total net assets	33,937	34,634
Total liabilities and net assets	48,961	49,688

(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, 2025	For the six months ended September 30, 2026
Net sales	16,584	18,021
Cost of sales	12,645	14,049
Gross profit	3,938	3,972
Selling, general and administrative expenses	2,919	3,034
Operating profit	1,018	937
Non-operating income		
Interest income	25	51
Dividend income	93	117
Rental income	153	145
Insurance claim income	36	-
Other	47	55
Total non-operating income	356	370
Non-operating expenses		
Interest expenses	40	48
Rental expenses	75	64
Foreign exchange losses	86	103
Other	19	24
Total non-operating expenses	222	240
Ordinary profit	1,153	1,067
Extraordinary income		
Gain on sale of non-current assets	584	1
Gain on liquidation of subsidiaries	191	-
Total extraordinary income	775	1
Extraordinary losses		
Loss on disposal of non-current assets	10	0
Loss on sale of non-current assets	1	-
Impairment losses	25	56
Total extraordinary losses	37	57
Profit before income taxes	1,891	1,012
Income taxes - current	188	182
Income taxes - deferred	(107)	49
Total income taxes	81	231
Profit	1,810	780
Profit attributable to owners of parent	1,810	780

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Profit	1,810	780
Other comprehensive income		
Valuation difference on available-for-sale securities	330	1,421
Foreign currency translation adjustment	(252)	(172)
Remeasurements of defined benefit plans, net of tax	(24)	(31)
Total other comprehensive income	53	1,218
Comprehensive income	1,864	1,998
(Breakdown)		
Comprehensive income attributable to owners of parent	1,864	1,998

(3) Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	1,891	1,012
Depreciation	667	735
Impairment losses	25	56
Increase (decrease) in allowance for doubtful accounts	(2)	(2)
Increase (decrease) in retirement benefit liability	(10)	(27)
Decrease (increase) in retirement benefit asset	(16)	(25)
Increase (decrease) in provision for bonuses	112	119
Increase (decrease) in provision for bonuses for directors (and other officers)	(33)	(53)
Increase (decrease) in provision for shareholder benefit plan	-	(369)
Interest and dividend income	(119)	(169)
Interest expenses	40	48
Foreign exchange losses (gains)	(0)	(42)
Loss (gain) on disposal of non-current assets	10	0
Loss (gain) on sale of non-current assets	(583)	(1)
Decrease (increase) in trade receivables	351	(228)
Decrease (increase) in inventories	(150)	(590)
Increase (decrease) in trade payables	283	183
Increase (decrease) in accrued consumption taxes	131	(116)
Decrease (increase) in other assets	(261)	2
Increase (decrease) in other liabilities	(97)	129
Subtotal	2,238	661
Interest and dividends received	119	169
Interest paid	(40)	(41)
Income taxes refund (paid)	(162)	(222)
Net cash provided by (used in) operating activities	2,154	565
Cash flows from investing activities		
Purchase of property, plant and equipment	(699)	(501)
Proceeds from sale of property, plant and equipment	588	1
Purchase of intangible assets	(119)	(71)
Purchase of investment securities	(768)	(298)
Proceeds from collection of loans receivable	2	2
Other, net	0	18
Net cash provided by (used in) investing activities	(996)	(849)

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from financing activities		
Proceeds from long-term borrowings	1,500	-
Repayments of long-term borrowings	(761)	(785)
Purchase of treasury shares	(1,002)	(2)
Proceeds from sale of treasury shares	0	53
Dividends paid	(602)	(1,357)
Repayments of finance lease liabilities	(221)	(202)
Proceeds from sale and leaseback transactions	381	-
Net cash provided by (used in) financing activities	(704)	(2,294)
Effect of exchange rate change on cash and cash equivalents	(77)	(67)
Net increase (decrease) in cash and cash equivalents	375	(2,645)
Cash and cash equivalents at beginning of period	13,219	14,013
Cash and cash equivalents at end of period	13,594	11,368

(4) Notes to Semi-annual 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. Previous 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	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 Profit (loss) of Reportable Segments and the Amount Recorded in the Semi-annual 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	1,258
Profit 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 Non-current 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.

II. Current Semi-annual Consolidated Accounting Period (From April 1, 2026, to September 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	14,305	3,456	17,762	259	18,021
Transactions with other segments	173	75	249	273	522
Total	14,478	3,532	18,011	532	18,544
Segment profit	1,430	(309)	1,120	42	1,162

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

2. 2. Difference between the Total Amount of Profit (loss) of Reportable Segments and the Amount Recorded in the Semi-annual 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	1,120
Profit classified in "Other"	42
Elimination of inter-segment transactions	15
Expenses for the Group (NOTE)	(240)
Operating profit in the semi-annual consolidated statement of income	937

(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 ¥56 million was recognized on business assets, as an operating loss continued to be recorded.

(Significant Subsequent Events)

(Significant Capital Investment)

1. Purpose of the Capital Investment

The Company resolved at the meeting of the Board of Directors held on October 27, 2026, to undertake an expansion of the Aizu Factory.

The RHYTHM Group is working on strengthening its production infrastructure in pursuit of its Long-Term Vision set forth in the Medium-Term Management Plan 2027 to achieve net sales of ¥50 billion and operating profit of ¥5 billion (operating profit margin of 10%). As the Aizu Factory serves as the Group's core manufacturing facility, the Company has decided to undertake a redevelopment project aimed at expanding production capacity and enhancing productivity. This investment will be made in addition to the capital investment planned under the current Medium-Term Management Plan and is expected to exceed the investment made for the construction of the existing Aizu Factory, representing a large-scale capital investment. Through this redevelopment project, the Group aims to enhance its capacity to meet future order growth, optimize its production structure, improve productivity, and reduce costs, thereby further strengthening its earnings capacity and competitive position and contributing to the achievement of its Long-Term Vision.

2. Overview of the Capital Investment

Item	Details
Site	Aizu Factory (Aizuwakamatsu City, Fukushima Prefecture, Japan)
Scope of Work	Partial demolition of existing factory buildings and construction of a new factory building
Investment Details	Construction work and installation of new production facilities
Total Investment (Building Construction and Related Equipment)	Approximately ¥5.0 – 5.5 billion
Total Floor Area of New Building (planned)	Approximately 6,600 m²
Scheduled Commencement of Construction	April 2027
Scheduled Completion	September 2028
Scheduled Start of Operations	October 2028

3. Impact of the Capital Investment

Funds for this investment are expected to be financed through the Company's own funds and borrowings from financial institutions, among other sources.

The impact of this investment on the Company's consolidated financial results for the current fiscal year is expected to be minimal. However, the Company expects that the investment will contribute to strengthening the Group's production capabilities and enhancing corporate value over the medium to long term.