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November 25, 2026

Company Name: RHYTHM CO., LTD.
Representative: Takeo Yumoto
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(Securities code: 7769 TSE Prime Market)
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Notice Concerning the Merger of Consolidated Subsidiaries

RHYTHM CO., LTD. (the "Company") hereby announces that it has resolved the merger between its consolidated subsidiaries, RHYTHM SHOEI CO., LTD. (hereinafter referred to as "SHOEI") and RHYTHM PRITEC CO., LTD. (hereinafter referred to as "PRITEC"), at the Board of Directors meeting held today. The details are as follows.

Since the Merger is between consolidated subsidiaries of the Company, some disclosure items and content have been omitted.

1. Purpose of the Merger

The RHYTHM Group is promoting various initiatives 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%). In the Precision parts business, which has been performing strongly, further expansion of orders is expected in the future, and making it essential to increase production capacity and further improve productivity. Accordingly, the Group is strengthening its production infrastructure, including the decision to expand the Aizu Factory as announced on October 27, 2026.

As part of these efforts, the Company has decided to merge these consolidated subsidiaries in order to optimize the Group's production structure, enhance productivity, and strengthen the Group's profitability and competitive position.

2. Summary of the Merger

(1) Merger Schedule

Board Resolution Date (of the companies involved): November 26, 2026 (planned)

Merger Date (Effective Date): April 1, 2027 (planned)

(2) Merger Method

This is an absorption-type merger, with SHOEI as the surviving company and PRITEC 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

(As of October 31, 2026)

	Surviving Company	Absorbed Company
(1) Company Name	RHYTHM SHOEI CO., LTD.	RHYTHM PRITEC CO., LTD.
(2) Location	2718-3 Sanwa-cho, Isesaki, Gunma	372-6 Kondo-cho, Tatebayashi, Gunma
(3) Title and name of representative	Tsutomu Kimura, Representative Director	Akihiro Suzuki, Representative Director
(4) Description of business	Manufacture of various automotive mirrors and related products	Painting and printing of plastic parts
(5) Share Capital	¥100 million	¥10 million
(6) Date of Establishment	July 27, 2023	May 1, 1993
(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	To be determined
(2) Location	2718-3 Sanwa-cho, Isesaki, Gunma
(3) Title and name of representative	To be determined
(4) Description of business	Manufacture of various automotive mirrors and related products; painting and printing of plastic parts
(5) Share Capital	¥100 million

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.