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Notice Concerning the Redevelopment of the Aizu Factory (Demolition of Existing Building and Construction of New Building)

RHYTHM CO., LTD. (the "Company") hereby announces that, at the Board of Directors meeting held today, it resolved to undertake the redevelopment of the Aizu Factory, as described below.

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.

1. Overview of the Redevelopment

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

2． Outlook

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.

Should any matters requiring disclosure arise in the future, the Company will promptly announce them.