



May 9, 2025

To Whom It May Concern:

Company name:	ARGO GRAPHICS Inc.
Representative name:	Chairman & CEO, Yoshimaro Fujisawa (Code:7595 TSE Prime Market)
Contact Person:	Senior Managing Director, Kunio Hasebe (TEL +81-3-5641-2018)

Announcement of Buyback of and Tender Offer Bid for Own Shares

We, ARGO GRAPHICS Inc., (hereinafter the “Company”) hereby announce that the Company resolved at its board meeting held on May 9, 2025 that the Company will buy back its own shares specifically by tender offer bid for its own shares (hereinafter the “TOB”) based on the provisions of Article 156, Paragraph 1 of the Companies Act (Act No. 86 of 2005 including subsequent amendments thereto; hereinafter the “Companies Act”) applied as deemed to be replaced pursuant to Article 165, Paragraph 3 of the said Act and the Company’s articles of incorporation, as follows:

Particulars

1. Purpose of Tender Offer Bid, Etc.

Taking into consideration the economic climate and business environment and based on its performance-based policy, the Company have endeavored to pay dividends on a continuous and stable basis by keeping a consolidated dividend payout ratio of 30% or more.

The Company also stipulated in its articles of incorporation that the Company may pay interim dividends. Its decision-making body to pay dividends is the board of directors in the case of interim dividends and the shareholders meeting in the case of year-end dividends. For payment of dividends for the year ending in March 2024 based on the above policy, taking into account the continuity and secureness of amount of dividends, JPY40 per share as interim dividend and JPY50 per share as year-end dividend totaling JPY90 per share as annual dividend (consolidated dividend payout ratio: 30.6%) were paid. For the year ending in March 2025, since JPY50 per share as interim dividend for which the record date was September 30, 2024 has been paid and JPY60 per share as year-end dividend for which the record date is March 31, 2025 will be paid, the annual dividend amount is expected to total JPY110 per share (consolidated dividend payout ratio (estimated): 32.1%).

Examining its future management and business strategies in light of its current business performance on a daily basis, the Company has examined specifically its midterm management plan covering 3 years from FY2025 to FY2027 (hereinafter the “New Midterm Management Plan”) since September 20, 2024. In the New Midterm Management Plan, designating return of profits to shareholders as one of the key issues on the Company’s management, and, with respect to the policy on return to shareholders and buyback of its own shares, the Company has considered (i) effecting return to shareholders by adopting the performance-based dividend method and aiming for stable dividend payment for the purpose to increase the consolidated dividend payout ratio target of 30% or more to 40% or more and (ii) conducting buyback of its own shares for the purpose to improve the

return to shareholders and the capital structure by improving capital efficiency, in flexible manners taking into account the Company's investments, business performance and capital, and market environments, etc.

Under such circumstances, on January 30, 2025 hearing from SCSK Corporation (hereinafter "SCSK"), the largest shareholder among major shareholders and one of other associated companies of the Company, that SCSK would sell the Company common shares held by SCSK for reassessing the capital relationship in order to maximize the corporate values of both companies, the Company received a verbal request from SCSK for considering buyback of the Company common shares held by SCSK through tender offer bid.

In response to the request, the Company resolved at the board meeting held on May 9, 2025 based on the results of considering the buyback from SCSK and discussions with SCSK, (i) to buy back its own shares specifically by conducting the TOB based on the provisions of Article 156, Paragraph 1 of the Companies Act applied as deemed to be replaced pursuant to Article 165, Paragraph 3 of the said Act and the Company's articles of incorporation, (ii) to set the buyback price per the Company common share under the TOB at JPY4,475 equal to JPY4,972, the simple average value of the closing price per the Company common share covering 1 month up to the business day immediately preceding the Company's board meeting resolution date discounted by 10%, and (iii) to fix the number of shares planned for buyback through the TOB at 4,576,000 shares (holding ratio: 21.03%).

Upon making the decision to conduct the TOB, the Company also executed with SCSK on May 9, 2025 a tender agreement (hereinafter the "Tender Agreement") under which SCSK tenders 4,160,000 shares (holding ratio: 19.12%) out of the Company common shares held by SCSK (4,740,000 shares, holding ratio: 21.79%) in the TOB when the Company conducts the TOB. In the Tender Agreement, conditions precedent for SCSK to tender its own shares in the TOB has been stipulated as follows: (i) the representations and warranties of the Company set forth in the Tender Agreement (Note 1) are true and correct in all material respects; (ii) all obligations to be performed or complied with by the Company set forth in the Tender Agreement (Note 2) have been performed or complied with in all material respects; (iii) material facts related to the Company's business, etc. (as defined in Article 166, Paragraph 2 of the Financial Instruments and Exchange Law (Law No. 25 of 1948, including subsequent amendments; the "Financial Instruments and Exchange Law") which are not disclosed (as defined in Article 166, Paragraph 4 of the Financial Instruments and Exchange Law) by the Company and facts related to performance of tender offer bid, etc. stipulated in Article 167, Paragraph 2 of the Financial Instruments and Exchange Law which are not disclosed (as defined in Article 167, Paragraph 4 of the Financial Instruments and Exchange Law) by a tender offeror, etc. do not exist; and (iv) there is no judicial or administrative decision, etc. that restricts or prohibits SCSK from tendering shares in the Tender Offer, and there is no concrete threat of such a decision, etc. (SCSK may, at its discretion, waive all or part of such conditions precedent.).

(Note 1) In the Tender Agreement, the Company represents and warrants to SCSK that, as of the date of execution of the Tender Agreement and the commencement date of settlement of the Tender Offer, (i) the Company was legally and validly established and continues to exist, (ii) the Company has the authority and capacity to act and have performed internal procedures in executing the Tender Agreement, (iii) the Tender Agreement is legally binding and enforceable, and (iv) the Company is in compliance with all applicable laws and regulations.

(Note 2) Under the Tender Agreement, the Company owes indemnity obligation, confidentiality obligation, obligation not to dispose the positions under the Tender Agreement or rights and obligations under the Tender Agreement, and obligation to consult with SCSK in good faith.

As of May 9, 2025, SCSK is the largest shareholder among major shareholders and one of other associated companies of the

Company. However, depending on the total number of share certificates tendered in the TOB, SCSK may no longer be a major shareholder, the largest shareholder among major shareholders or one of other associated companies of the Company, which may result in changes to the composition of major shareholders, the largest shareholder among major shareholders and other associated companies of the Company.

As of the date hereof, the Company's policy on disposition, etc. of its own shares that the Company buys back through the TOB is not determined yet.

2. Matters Resolved at the Board Meeting for Buyback of Own Shares

Type of Share Certificates, Etc.	Total Number	Total Buyback Price
Common share	4,576,100 shares (upper limit)	JPY20,478,047,500 (upper limit)

(Note 1) Total number of outstanding shares: 22,354,000 shares (as of May 9, 2025)

(Note 2) Ratio to the total number of outstanding shares: 20.47% (rounded to two decimal places)

(Note 3) Buyback period: From May 12, 2025 to July 31, 2025

(Note 4) If the number of shares actually tendered in the TOB exceeds the number of shares planned for buyback, even after pro-rata adjustment of unit number for buyback, the number of tendered shares may still exceed the number of shares planned for buyback. Therefore, the above total number resolved at the board meeting is equal to the number of shares planned for buyback plus 1 unit number (100 shares).

3. Outline of Tender Offer Bid, Etc.

(1) Time Schedule, Etc.

(i) Board meeting resolution date	May 9, 2025 (Friday)
(ii) Tender offer commencement public notice date	May 12, 2025 (Monday) Electronic public notice is issued, and the issuance is published in <i>Nihon Keizai Shimbun</i> . (Electronic public notice address: https://disclosure2.edinet-fsa.go.jp/)
(iii) Tender offer statement filing date	May 12, 2025 (Monday)
(iv) Period of Tender Offer Bid, Etc.	From May 12, 2025 (Monday) To June 9, 2025 (Monday) (21 business days)

(2) Price of Tender Offer Bid, Etc.

JPY4,475 per common share

(3) Number of Share Certificates Planned for Tender Offer Bid

Type of Share Certificates, Etc.	Number Planned for Tender Offer Bid	Estimated Number of Exceeding Tendered Shares	Total
Common share	4,576,000 shares	—	4,576,000 shares

(Note 1) When the total number of share certificates, etc. actually tendered in the TOB does not exceed the number planned for buyback (4,576,000 shares), the Company will buy back all the actually tendered share certificates, etc. If the total number of actually tendered share certificates, etc. exceeds the number planned for buyback (4,576,000 shares), not buying back all or some of the excess portion, the Company will accept the actually tendered share certificates, etc. and take other settlement procedures for the buyback based on the pro-rata method specified in Article 27-13, Paragraph 5 of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 27-22-2, Paragraph 2 of the said Act and Article 21 of the

Cabinet Office Order on Disclosure Required for Tender Offer for Listed Share Certificates by Issuers (Ministry of Finance Ordinance No. 95 of 1994, including subsequent amendments).

(Note 2) Shares less than one unit are also subject to the TOB. If a shareholder exercises the right to demand purchase of shares less than one unit pursuant to the Companies Act, the Company may buy back its own shares during the TOB period in accordance with the statutory procedures in some cases.

(4) Funds Necessary for Tender Offer Bid, Etc.

JPY20,511,400,000

(Note) The above amount is the sum of the price of tender offer bid, etc. (JPY20,477,600,000) to buy back all the number of shares planned for tender offer bid, etc. (4,576,000 shares) plus estimated buyback charge and other costs (such as those for public notice and printing the tender offer explanation and any other necessary documents with respect to the TOB).

(5) Settlement Method

- (i) Name and Head Office of Financial Instruments Business Operator/Bank, etc. in Charge of Settlement for Tender Offer Bid, Etc.

SMBC Nikko Securities Inc. 3-1 Marunouchi 3-chome, Chiyoda-ku, Tokyo

- (ii) Settlement Start Date

July 2, 2025 (Wednesday)

(6) Other Matters

The TOB will not, either directly or indirectly, be conducted in or to the United States or by using the US postal service or other interstate commerce or international commerce methods/tools (including, but not limited to, telephone, telex, facsimile, e-mail and the Internet communication) or through the US securities exchange facilities. No one may tender shares in the TOB by using the above methods/tools or through the above facilities or from the United States.

The tender offer statement or other related documents for the TOB will not be delivered or distributed in, to or from the United States by post or any other method, and such delivery or distribution of documents may not be made. Any tender in the TOB directly or indirectly breaching the above restrictions will not be accepted.

Each of shareholders, etc. who intend to tender their shares (or each standing proxy in the case of non-Japanese shareholders, etc.) will be requested to represent and warrant the following matters when tendering in the TOB.

As of the time both when tendering shares and when sending an application form for the TOB, the tendering shareholder, etc. is not in the United States, has not received or sent any information related to the TOB or documents (including photocopies thereof) related to tender offer bid, etc., either directly or indirectly, in, to or from the United States, has not used, either directly or indirectly, the US postal service or other interstate commerce or international commerce methods/tools (including, but not limited to, telephone, telex, facsimile, e-mail and the Internet communication) or securities exchange facilities in the United States for signing and delivering an application form for tender offer bid, etc. or the TOB, and has not acted as agent or delegate with no discretion for other person (excluding a case where such other person gives all instructions on tendering in the TOB from outside the United States.).

End of this Announcement