

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



May 9, 2025

Company name: ARGO GRAPHICS Inc.

Name of representative: Yoshimaro Fujisawa, Chairman & CEO

(Securities code: 7595; Prime Market, Tokyo Stock Exchange)

Inquiries: Kunio Hasebe, Senior Managing Director

(Telephone: +81-3-5641-2018)

Notice concerning Formulation of Medium-Term Management Plan

The Company announces that our Board of Directors today approved the medium-term management plan covering the three-year period from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2028.

Please refer to the attached material for details of this plan.

Mid-term Management Plan

FY2025 - FY2027



May 9th, 2025

Create the future. Challenge for Innovation

We aim to become the No.1 IT leading company for manufactures in Japan and the world.

Mission Statement

Mission Statement

“GROW UP WITH YOU”

We, Argo Graphics, value "customers", "employees" and "society of growing together".

Corporate Philosophy

- We will strive to be “customer-first”, devote our fullest effort to the places our customers seek and contribute to the development of our customers.
- We will strive for fair corporate governance as a public entity of society.
- Employees shall strive for self-improvement, working hard on technical strength and personality every day.

Management Vision

- Toward becoming a company with Sales of 100 billion yen in 2030, make a further leap forward in the mid term.

	FY2022-24 Mid-term Final year Target	FY2022-2024 Mid-term Final year Actual	FY2025-27 Mid-term Final year Target	Year 2030 Vision
Sales	53 billion yen	69.5 billion yen	81 billion yen	100 billion yen
OP	7.2 billion yen	10.2 billion yen	11.5 billion yen	15 billion yen
OP%	13.6%	14.7%	14.2%	15.0%
ROE	12% or more	13.9%	15% or more	15% or more

Review of Previous Mid-term Management Plan (FY2022 - FY2024)

Review of Previous Mid Term Management Plan

● Achieved all targets for Sales, OP and ROE

Sales

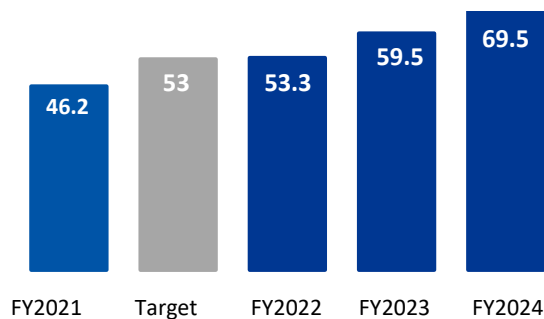
Final year target

53 billion yen

Actual

69.5 billion yen

+16.5 billion yen



3 years CAGR **14.6%**

OP/OP%

Final year target

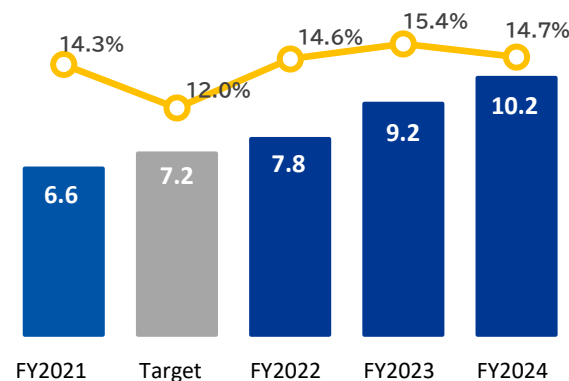
7.2 b yen / 13.6%

Actual

10.2 b yen / 14.7%

+3 b yen

+1.1pt



3 years CAGR **15.6%**

ROE

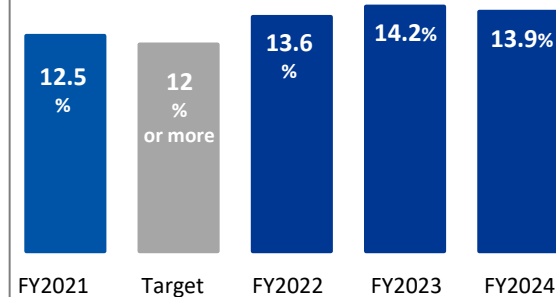
Final year

12% up

Actual

13.9%

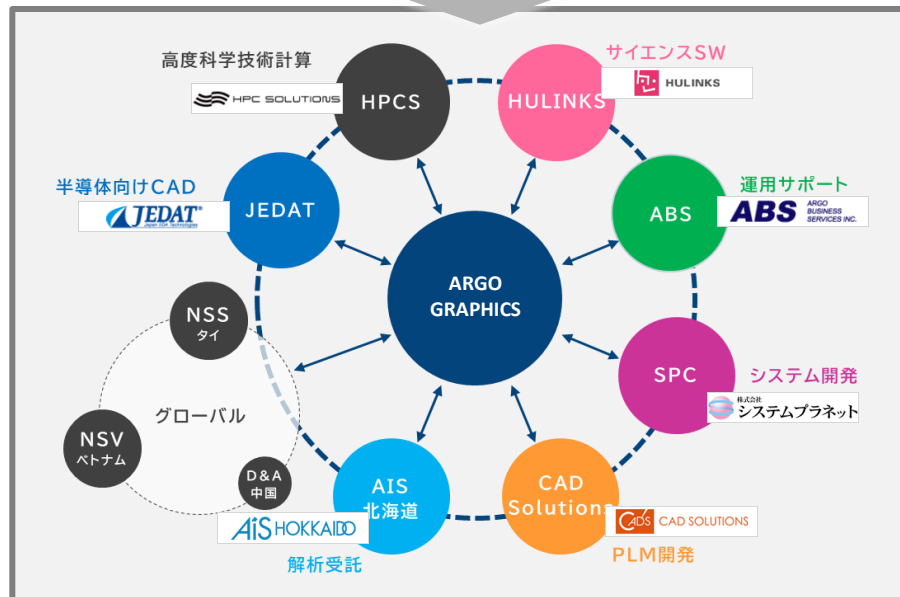
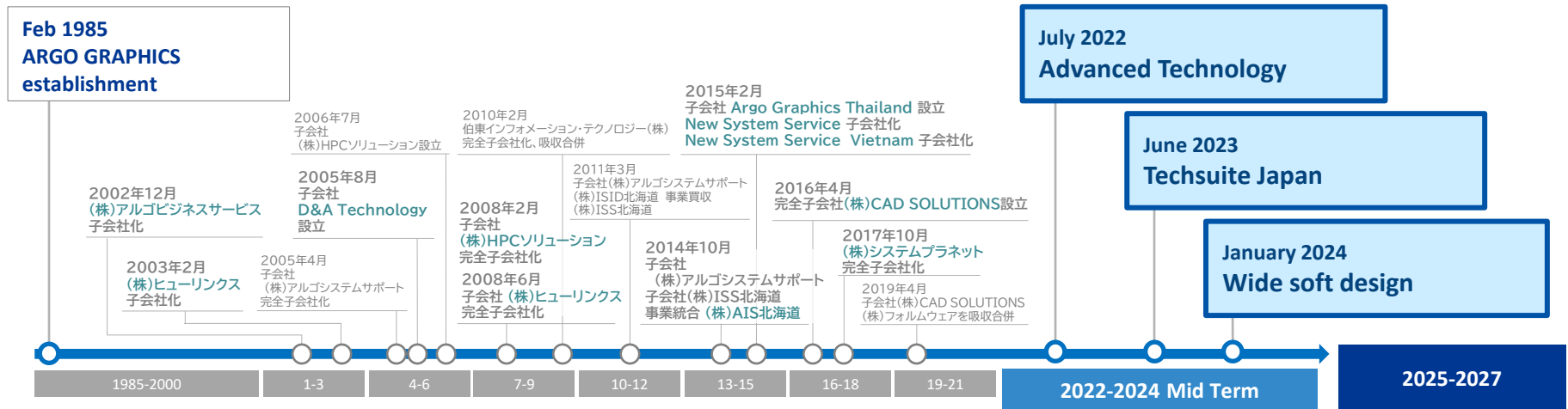
+1.9pt



3 years average **13.8%**

Review of Previous Mid Term Management Plan

- Strengthened one-stop DX solution provision system by welcoming 3 companies to the group through M&A.



+



New Mid-term Management Plan (FY2025-FY2027)

Our Environment and Strategic Policy

- Set business strategies in Four Areas based on the business environment and internal environment



Recognition of Business Environment

Social conditions

- ① Global Political/Economic risks
- ② Aging society / demographic change
- ③ Requests for Sustainability/HC policy

Technology Trends

- ① Government-led DX promotion
- ② Development of Generative AI
- ③ Diversification of computer usage patterns

Manufacturing Market

- ① Automobile
EV/CASE transformation & competition
- ② Automotive Suppliers
Technological innovation for OEMs
- ③ Semiconductor Manufactures
Demand Increase for AI, EV, DC
- ④ Risk of impact on supply chains due to the introduction of US reciprocal tariffs



Business Strategy

Business Strategies to Achieve the Medium-Term Plan

- ① Expansion of Manufacturing Platform - Design/Manufacturing DX, AI utilization
- ② Data centers utilization in VDI, HPC, AI, and hybrid IT infra by using managed services, as a service
- ③ Strengthen BP relationship
- ④ Expansion of Business areas /solutions tailored to market trends, and further strengthening of Group synergies
- ⑤ Secure and develop HR to support growth
- ⑥ SCR activities such as local development and DC utilization
- ⑦ Strengthen new solution areas through M&A



1. Solution Deployment for customer's DX

2. Market Strategy for Optimized solutions for each industry trend

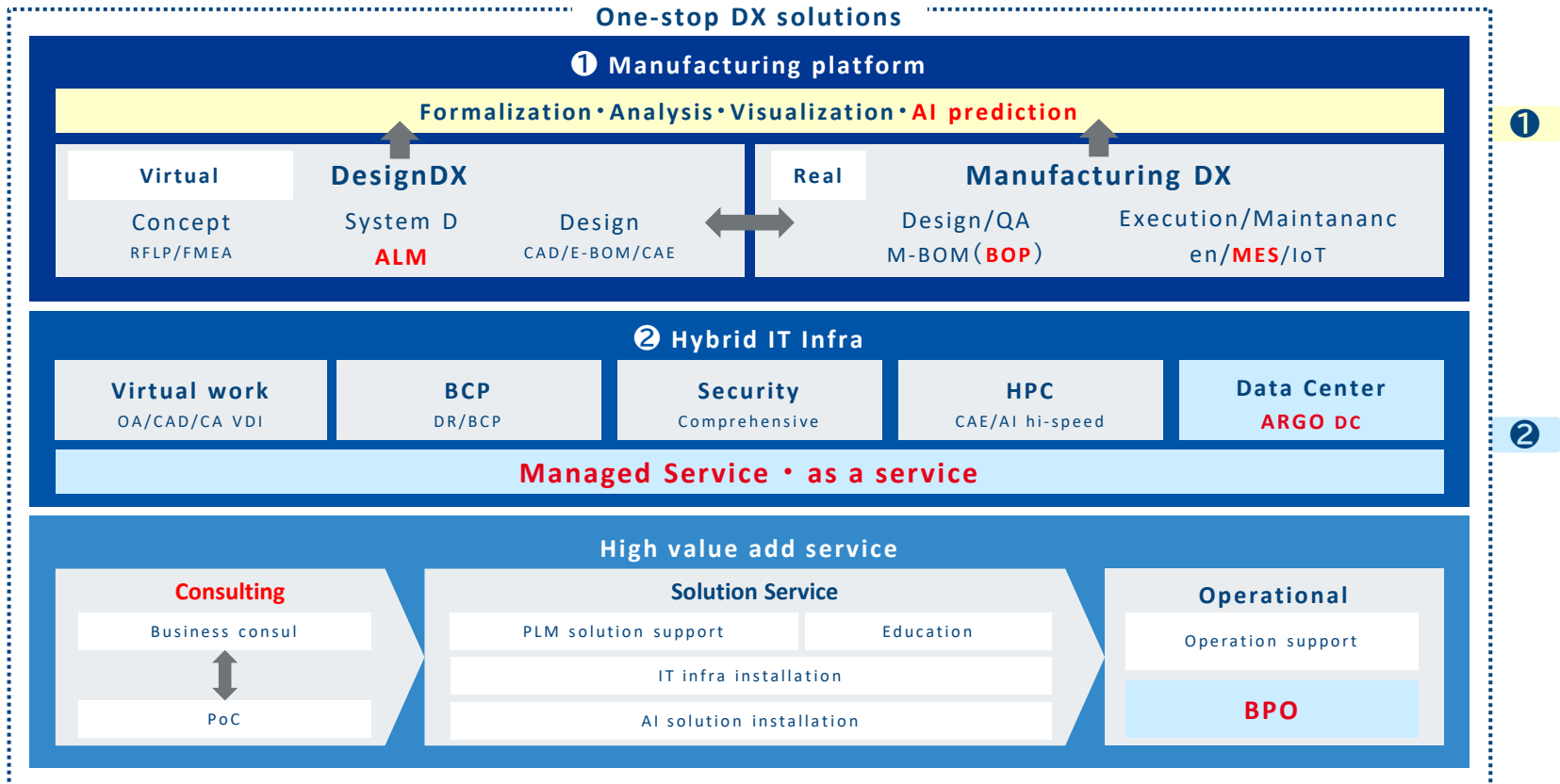
3. Sustainability Management, and Human Capital management

4. Investment plan

Basic Strategy for Area1

1. Solution Deployment for customer's DX

- Accelerate customer's through “One-stop DX Solutions” with high value services (process analysis – proposal – installation – education – operation- maintenance) by providing optical HW/SW from strong partner relationship



- ① Apply structured data from the manufacturing platform to deploy AI prediction solutions in response to high customer demand
- ② In the hybrid IT infrastructure, in addition to data center utilization, full-scale operation of the base managed services and as-a-services is realized

Basic Strategy for Area2

2. Market Strategy for Optimized solutions for each industry trend

- Expand solution sales with market research and customized marketing strategies
- Aiming to realize a virtual twin environment through the use of next-generation digital technology

Automobile



- Strengthen 3DEXPERIENCE for supplier's DX promotion
- Enhancement of related CAE, and FMEA
- New AI Solution Deployment
- New BOP / MES solutions for manufacturing sectors
- Hybrid IT infra including new Data Centers

RFLP	FEMA	CAD
E-BOM	CAE	M-BOM(BOP)
MES	ALM	AI
VDI	HPC	DC/Cloud

Semiconductor



- Intensive reinforcement of IT infra with a focus on MES and AI in response to increased investment
- Widespread deployment of hybrid IT infra including new data centers
- Strengthen IT infr in EDA area

RFLP	FEMA	CAD
E-BOM	CAE	M-BOM(BOP)
MES	EDA	AI
VDI	HPC	DC/Cloud

Industrial Machinery



- 3DEXPERIENCE with multi-CAD, CAE, and FMEA
- Increase productivity through new deployment of AI solutions and continued promotion of VDI, HPC, etc.
- IT infrastructure including new Data Centers
- Developing new customers through the above

RFLP	FEMA	CAD
E-BOM	CAE	M-BOM(BOP)
MES	ALM	AI
VDI	HPC	DC/Cloud

Aerospace



- CAD / CAE to increase investment by national policy
- Promoting 3DEX platform
- Widespread deployment of hybrid IT infrastructure, including new Data Centers

RFLP	FMEA	CAD
E-BOM	CAE	M-BOM(BOP)
(MES)	ALM	AI
VDI	HPC	DC Cloud

Public/University












- Deployment of high-performance compute servers for research AI/HPC purposes
- Focus on new products that enable more advanced computational processing

RFLP	FMEA	CAD
E-BOM	CAE	M-BOM(BOP)
MES	ALM	AI
VDI	HPC	DC Cloud

Basic Strategy for Area3

3. Sustainability Management, and Human Capital management

- Identifying the Group's materiality based on business and social issues, address materiality, strengthen management foundations, and promote sustainable management

Priority issues	policy	Related SDGs	Specific measures for 2025-2027
Realization of safe and secure society where everyone can live comfortably	Provide various solution services to our customers for safe and secure society where everyone can live comfortably	  	<ul style="list-style-type: none"> Providing high-quality, sustainable system infra Providing robust, environmentally friendly Data Centers Contributing to carbon neutrality through manufacturing solutions
Creating workplace where staff have respect of diversity and rewarding	Through human capital management, we will dynamically respond to environmental changes by creating a diverse organization where each employee can demonstrate their value	  	<ul style="list-style-type: none"> Promotion of diversity and inclusion Promotion of Healthy Management Strengthening individual capacity development
Realization of sound corporate management	Establish effective, transparent, and reliable governance with a view to creating sustainable value for society and enhancing the corporate value of our group	 	<ul style="list-style-type: none"> Strengthening compliance with the Governance Code Increase communication with stakeholders Further strengthening information security
Co-creation with society	Contribute to local communities by promoting sports and expanding into rural areas, creating jobs, and other initiatives		<ul style="list-style-type: none"> Creating new value through sports such as curling Creating jobs by expanding new businesses to rural areas

Human Capital Management Initiatives

Creating an organization for maximum performance

- Through our commitment to human capital management, we will grow as individuals and as an organization to realization of a professional group that achieves the highest performance

□ key materials

Strengthen recruitment of personnel / Diversification

Human resource portfolio to realize business strategy

Employee Well-being

□ Main actions in this mid-term

- Strengthen training by level and professional education
- Increase in compensation levels
- Mental and physical health and the ability to fulfill one's potential
Creating an environment in which people can exercise their abilities in good mental and physical health (promotion of health management)

- Employee engagement indexing/improvement

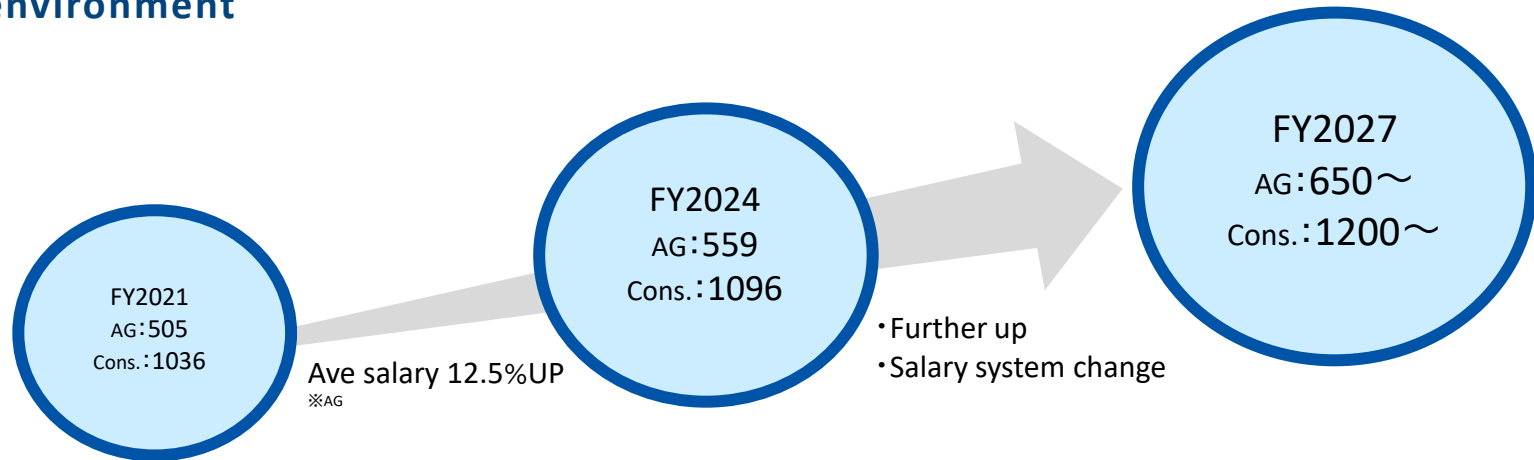
- Improvement of human resources management infrastructure

To human resources aggressive investment

Organizational Strength Improvement

Human Resource Management Strengthening

- Increase total numbers of staff with above average compensation, using M&A, to achieve dynamic/diversified organization responding to changes in the business environment



- Develop and secure HR to support Manufacturing Platform

Talent portfolio		direction	Trainig policy	<div><div><ul style="list-style-type: none">• Management skill• Problem solving</div><div><div>+</div><div>Re-structure educational program for maximization organization power</div></div></div>
Consultant	Design DX		•Recruit different industries •OJT	
	Manufacture DX			
Project Manager			•Recruit career talent •External seminars of high level PM	
Specialist	PLM/CAD/CAE		•Recruit new graduate、OJT •OFF-JT、qualification support •Re-skilling	
	AI			
	Infra			

Co-creation with society

- Provide robust / environmentally friendly
- Support for sports and regional development

- **Sustainable DC - Environmentally friendly, Harmony with Local Communities, and Cooperation with Educational Institutions**

Argo Kitami Data Center (tentative name)
Construction to be completed in March 2026



Theme 1: Maximizing the Use of Renewable Energy

- Installed solar power generation equipment to maximize the use of renewable energy
- Highly efficient operation of equipment through building insulation, air conditioning using cool outdoor air, and water spraying on outdoor units

Theme 2: Harmony with Local Communities

- Install soundproof walls, etc. to reduce noise to surrounding residential areas.
- Harmony of the design with the surrounding buildings, greening of the site, etc.

Theme 3: Complex facility connect with the research, learning and education

- High security, yet seminar rooms and other facilities can be used for study and research.
- Contribute to research activities and human resource development in cooperation with universities

Co-creation with society

Support for sports and regional development

- Continue to support Loco Solare in preparation for the 2026 Winter Olympics for development of young athletes, the popularization of the sport, and the promotion of local communities



- Plan to aggressive investment for growth, mainly in M&A
Total 19-27 billion yen (cumulative over 3 years)

Business Strategy	M&A 10 - 15 billion yen
	New Business 6 - 7 billion yen

- Expand business in new areas and strengthen the Group's management base
- Strengthening Team Argo's collaboration, including group reorganization

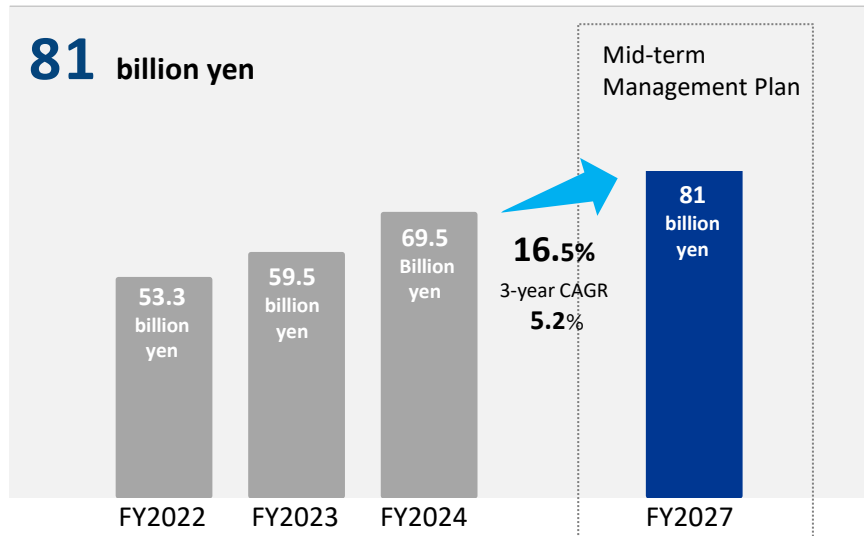
- Investment in the Kitami Data Center in Hokkaido, and in new business areas

Business Foundation	OPEX(HR) / CAPEX 3 - 5 billion yen
---------------------	--

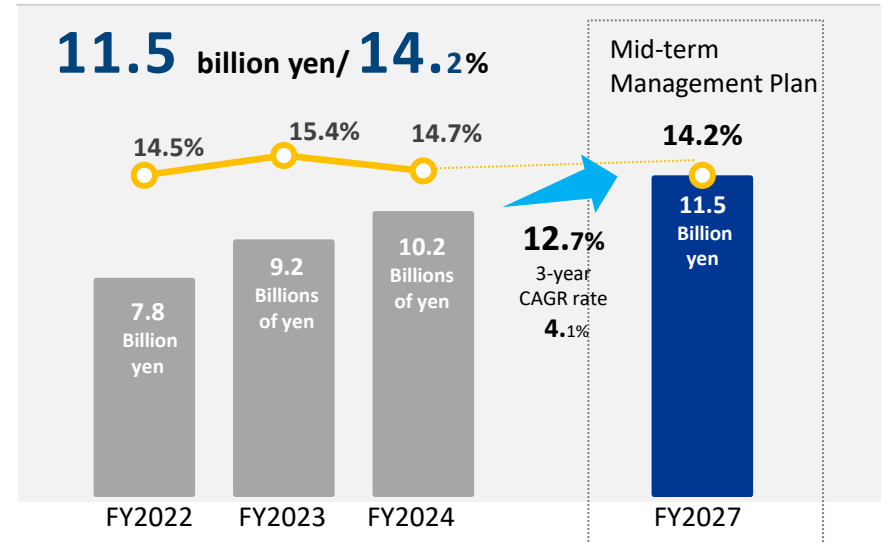
- Increase compensation, strengthen recruitment, invest in human resource development
- Office Environment Improvement
- In-house system DX promotion/security enhancement

Management Target

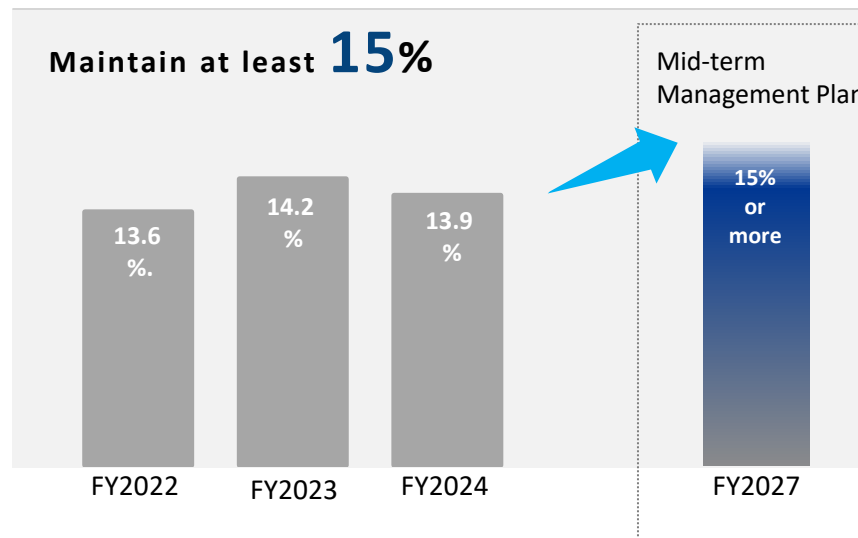
Sales



OP / OP%



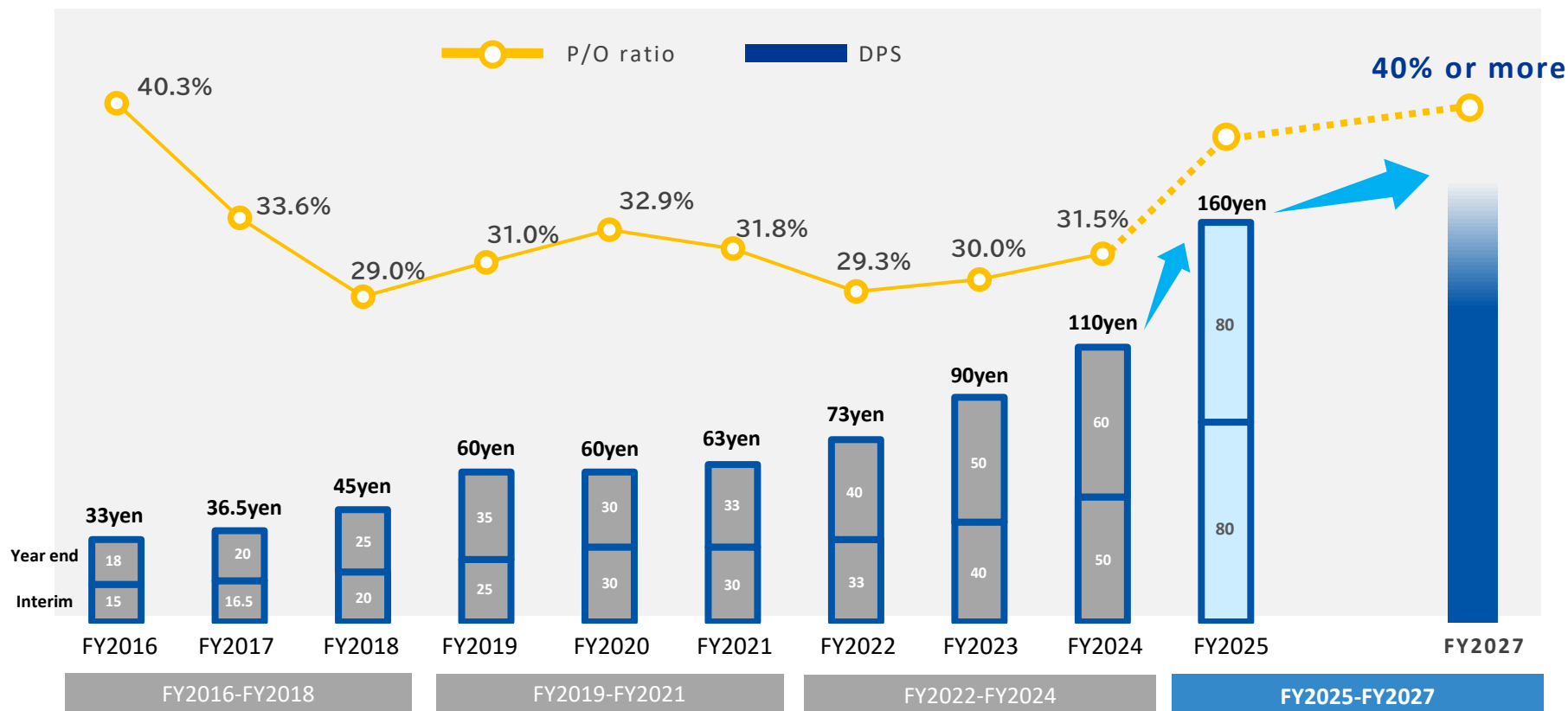
ROE



Shareholder Return Policy

● Basic Dividend Policy

- “Performance-based” and “Stable” payment
- Increase payout ratio (consolidated) from 30% to 40% or more



The Company conducted a 2-for-1 stock split of common stock on April 1, 2019. Dividends are calculated on the assumption that such stock split had been conducted at the beginning of the fiscal year ended March 31, 2017.

● Share Repurchase Policy

- Implemente in a flexible manner considering actual investment, business performance, capital conditions, market environment, and other factors to return profits to shareholders by improving capital efficiency and to improve the capital structure,



Create the future. Challenge for Innovation

We aim to become the No.1 IT leading company for manufactures in Japan and the world.

This material was not prepared for the purpose of soliciting investments in securities issued by the Company. The items and forward-looking statements contained in this document are based on current information, but we do not guarantee or promise the accuracy or completeness of such information. These statements are subject to change due to various factors, including economic conditions and industry trends, and are subject to change without notice.