



October 20, 2025

Company name: ARGO GRAPHICS Inc.

Name of representative: Yoshimaro Fujisawa, Chairman & CEO

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

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## Notice on Disposal of Treasury Shares by Third-Party Allotment in Connection with Additional Contributions to Share-Based Compensation Plans (BBT / J-ESOP)

The Company hereby announces that, at the Board of Directors' meeting held today, it resolved to conduct a disposal of treasury shares by way of third-party allotment (the "Disposal of Treasury Shares"), as outlined below. Formally, the allottee of the Disposal of Treasury Shares will be Custody Bank of Japan, Ltd. (Trust E Account), which is the re-trustee under the trust (the "Trust") established pursuant to a trust agreement concluded between the Company and Mizuho Trust & Banking Co., Ltd. in connection with the Board Benefit Trust (BBT) and the Share Delivery Trust (J-ESOP) (the "Plan", collectively the BBT Trust and the J-ESOP Trust). Notwithstanding this formality, the transaction is, in substance, equivalent to allotting shares to directors (excluding outside directors, and directors who are members of the Audit and Supervisory Committee and Audit & Supervisory Board members; unless otherwise specified, the same applies hereinafter) of the Company or its subsidiaries (the "Eligible Directors") and employees of the Company or its subsidiaries (the "Eligible Employees, etc.").

### 1. Outline of the Disposal

(1) Date of disposal	November 17, 2025		
(2) Type and number of shares to be disposed	300,000 shares of common share		
(3) Disposal price	1,334 yen per share		
(4) Total disposal amount	400,200,000 yen		
(5) Disposal recipient	Board members of the company	4 persons	51,000 shares
	Board members of subsidiaries	11 persons	13,000 shares
	The company employees	375 persons	230,000 shares
	Employees of subsidiaries	6 persons	6,000 shares
	(Notes 1 and 2)		
(6) Other	A Securities Registration Statement under the Financial Instruments and Exchange Act has been filed in connection with this Disposal of Treasury Shares.		

Note 1 : The formal allottee of the Disposal of Treasury Shares is Custody Bank of Japan, Ltd. (Trust E Account). Custody Bank of Japan, Ltd. (Trust E Account) is the trust account established by concluding a trust agreement among the Company (as settlor) and Mizuho Trust & Banking Co., Ltd. (as trustee; Custody Bank of Japan, Ltd. acts as re-trustee). As the Disposal of Treasury Shares is conducted for the purpose of delivering shares to the Eligible Directors and the Eligible Employees, etc. under the Plan, and is

substantively equivalent to allotting shares to the Eligible Directors and the Eligible Employees, etc. as consideration for services rendered to the Company's subsidiaries, the recipients are presented as the Eligible Directors and the Eligible Employees, etc.

Note 2: Under the Plan, points are granted to the Eligible Directors based on position and performance achievement levels, etc., and upon satisfying certain conditions and acquiring the right to receive, the number of Company shares and cash equivalent to the amount converted at market value of our company shares (hereinafter referred to as "Our Company Shares, etc.") corresponding to the granted points will be delivered. Accordingly, the above number of shares represents the maximum number, and the actual number of shares to be delivered will vary depending on position and performance achievement levels, etc. Under the Plan, points are granted to the Eligible Employees, etc. based on year of service, etc., and upon satisfying certain conditions and acquiring the right to receive, Our Company Shares, etc. corresponding to the granted points will be delivered. Accordingly, the above number of shares represents the maximum number, and the actual number of shares to be delivered will vary depending on year of service, etc.

## 2. Purpose and Reason for the Disposal

Based on a resolution of the Annual General Meeting of Shareholders on June 22, 2016, the Company introduced The BBT Trust Plan. (For details of BBT, please refer to the Company's press releases titled "Notice Regarding Introduction of Share Delivery Trust (BBT)" dated May 13, 2016 and "Proposal No. 7: Determination of Compensation Amount and Details under the Performance-Based Stock Compensation Plan for Directors Who Are Not Audit and Supervisory Committee Members" published in "Notice of the 39th Annual General Meeting of Shareholders" dated June 6, 2023).

Also, based on a resolution of the Board of Directors' meeting on May 13, 2016, the Company introduced the J-ESOP Trust Plan. (For details of J-ESOP, please refer to the Company's press releases titled "Notice Regarding Introduction of Share Delivery Trust (J-ESOP)" dated May 13, 2016 and "Notice Regarding Introduction (Finalization of Details) of Share Delivery Trust (J-ESOP)" dated July 29, 2016).

In continuing the Plan, the Company has decided to make an additional monetary contribution to the Trust (the "Additional Trust Contribution") so that the Trust may acquire the number of shares expected to be required for future deliveries, and to dispose of treasury shares by third-party allotment to Custody Bank of Japan, Ltd. (Trust E Account), the re-trustee designated by Mizuho Trust & Banking Co., Ltd., the trustee of the Trust, for the purpose of holding and disposing of the Company's shares in operating the Plan. Although, formally, the allottee of the Disposal of Treasury Shares is Custody Bank of Japan, Ltd. (Trust E Account), the transaction is, in substance, equivalent to allotting shares to the Eligible Directors and the Eligible Employees, etc. as consideration for services rendered to the Company and its subsidiaries.

The number of shares to be disposed corresponds to the number of shares expected to be delivered to the Eligible Directors based on the "Executive Stock Grant Regulations" (64,000 shares during the trust period (3 fiscal years, from the fiscal year ended March 31, 2026 to the fiscal year ended March 31, 2028)) and the Eligible Employees, etc. based on the "Stock Grant Regulations" (236,000 shares during the trust period (3 fiscal years, from the fiscal year ended March 31, 2026 to the fiscal year ended March 31, 2028)). This represents 0.38% of the total number of shares issued as of September 30, 2025 (80,000,000 shares), and 0.43% of the total voting rights as of September 30, 2025 (703,472 voting rights) (in each case, rounded to the nearest third decimal place). The scale of dilution is considered reasonable in light of the purpose of the Plan as described in the press releases titled "Notice Regarding Introduction of Share Delivery Trust (BBT)" and "Notice Regarding Introduction of Share Delivery Trust (J-ESOP)" dated May 13, 2016. Incidentally, the Company conducted a one-for-four stock split effective October 1, 2025, and the number of total shares and voting rights reflects this stock split.

\* Outline of the Additional BBT Trust

Date of the Additional Trust : November 17, 2025

Amount of the Additional Trust : ¥ 85,376,000

Type of shares to be acquired : Common shares of the Company

Total number of shares to be acquired : 64,000 shares

Share acquisition date : November 17, 2025

Method of acquisition : Acquisition by underwriting the Company's disposal of treasury shares (this Disposal of Treasury Shares)

\* Outline of the Additional J-ESOP Trust

Date of the Additional Trust : November 17, 2025

Amount of the Additional Trust : ¥ 314,824,000

Type of shares to be acquired : Common shares of the Company

Total number of shares to be acquired : 236,000 shares

Share acquisition date : November 17, 2025

Method of acquisition : Acquisition by underwriting the Company's disposal of treasury shares (this Disposal of Treasury Shares)

### 3. Basis of Calculation and Specific Details of the Disposal Price

The disposal price was set at ¥ 1,334 per share (amounts less than one yen truncated), which is equal to the average closing price of the Company's common shares on the Tokyo Stock Exchange for the one-month period immediately prior to the date of the Board resolution for the Disposal of Treasury Shares (from October 1, 2025 to October 30, 2025). The Company determined that adopting the average closing price for the one-month period is more objective and reasonable as a basis for calculation than the closing price at the specific date because the average price is able to eliminate special factors such as the impact of temporary fluctuations. Also, the Company determined that the average price over one month is more reasonable than the average price over three months or six months because the one-month average price is able to most fairly reflect the latest value compared to the other two. The disposal price of ¥ 1,334 represents 99.85% of the latest closing price as of October 30, 2025 (¥ 1,336), 106.72% of the average closing price for most recent three-month period immediately preceding the resolution date (¥ 1,250; amounts less than one yen truncated), and 105.37% of the average closing price for the most recent six-month period (¥1,266; amounts less than one yen truncated). In view of the foregoing, the disposal price for this Disposal of Treasury Shares is not deemed particularly favorable to the allottee and is considered reasonable. The Audit and Supervisory Committee has also expressed its opinion that the disposal price does not constitute a particularly favorable price.

### 4. Procedures under the Code of Corporate Conduct

As the dilution ratio resulting from this Disposal of Treasury Shares is less than 25% and no change in controlling shareholders will occur, neither obtaining an opinion from an independent third party nor confirming shareholder intent, as stipulated in Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, is required.