

Argosy Taiwan Aerospace Materials (ATAM) Facility Update Newsletter

On April 11, Argosy issued a press release announcing construction of our new 2,300 square-meter manufacturing facility located at No. 33, Jing 3rd Road, Wuqi District, Taichung City, Taiwan (R.O.C.).

In the ATAM Facility Update Newsletter Issue 1, we introduced the facility and shared information about our company's history, markets, products, services, and future plans.

With Newsletter Issue 2, we explore the history of Argosy's Vendor Managed Inventory (VMI) programs. Argosy's VMI programs are designed to relieve working capital and increase overall productivity for our customers, and have achieved superior results.

We will continue to provide a series of newsletter updates as we approach the launch of our ATAM facility.

Sincerely,

Ryan Flugel
Vice President of Sales and Marketing



Argosy's Vendor Managed Inventory (VMI) History



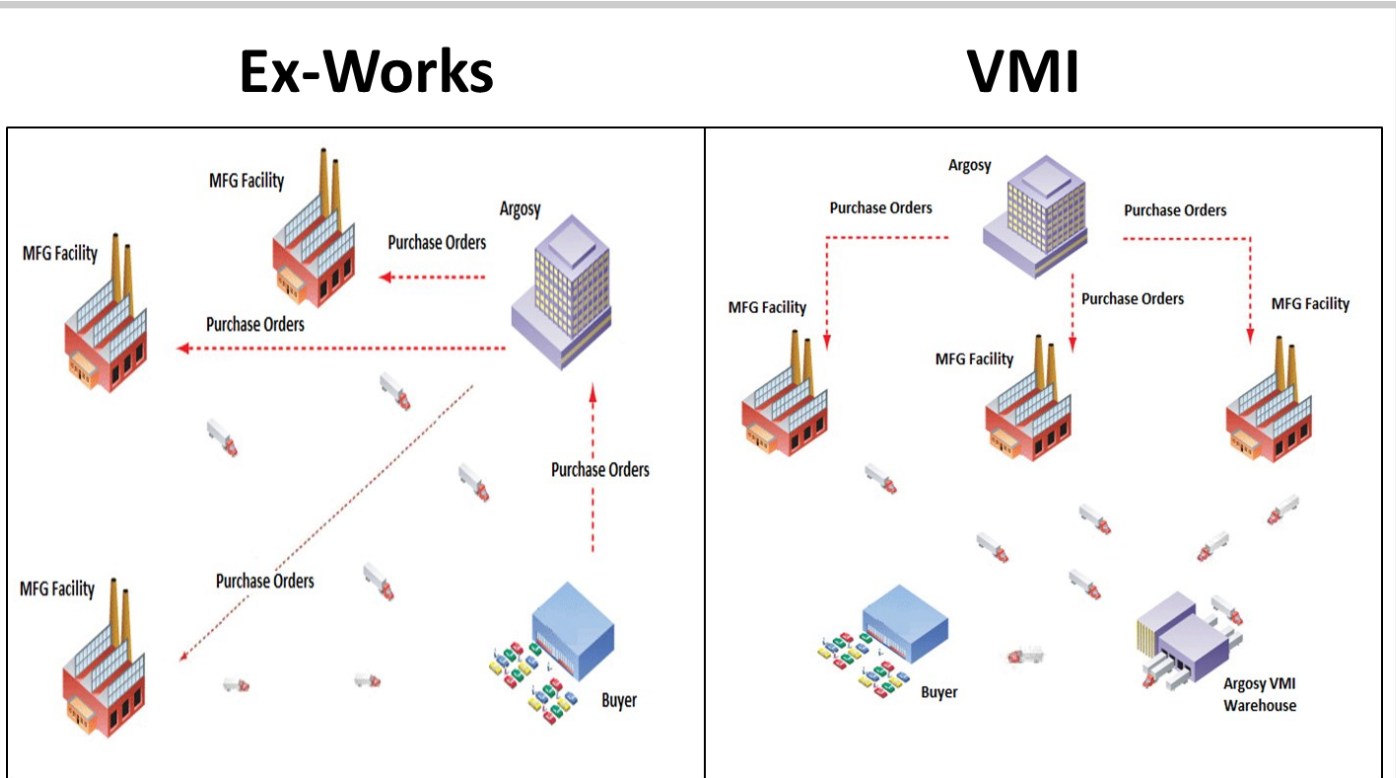
In 2005, Argosy asked its valued customers how it could change their business relationship in a strategic manner to provide a more valuable end product: from customer/seller to value-added supply chain partner. This transformation was the foundation for Argosy's Vendor Managed Inventory (VMI) program.

History

- Successfully launched the first VMI Program in 2006
- Multiple VMI sites established since 2013
- Consistently achieving +99% rating for Key Performance Indicators in Material Acceptance Rate and On-Time Delivery
- 10 years later, Argosy continues to innovate their business by adding even more value to its customers



Process Flow Comparison: Ex-Works versus VMI



Customer Value:

- Reduce Inventory Holding Costs
- Extend Payment Terms (*Due Upon Use/Improve Cash Flow*)
- Eliminate Stock-outs
- Increase Productivity
- Reduce Production Lead Times

