December 13, 2024

Company name: SCAT Inc.
（Tokyo Stock Exchange Standard Market , Code 3974）
Representative： Hideo Nagashima
Representative Director and President
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Notice regarding plans for compliance with listing maintenance standards

As of the end of October 2024, SCAT Inc. (the “Company”) were no longer in compliance with the listing maintenance standards of the TSE Stock Exchange Standard Market. We are pleased to inform you that we have prepared a plan to comply with the listing maintenance standards as described below.

1. Compliance status and plan period for the company's listing maintenance standards.

The Company's compliance status with the listing maintenance standards of the TSE Standard Market as of October 2024, does not meet the standard for "market capitalization of tradable shares," as mentioned below. The Company will proceed with various initiatives in order to meet the "market capitalization of tradable shares" standard, which it did not meet this time.

	Number of Shareholders (people)	Number of tradable shares (units)	Total market value of tradable shares (million JPY)	Ratio of Circulating shares (%)
As of October 31, 2023	4,562	23,783	1,229	45.4%
As of October 31, 2023	2,852	22,303	928	42.6%
Listing maintenance standards	400 or more	2,000 or more	1,000 or more	25.0% or more
State of compliance			Not achieved	
Planning period			End of October 2026	

2. Basic policy for efforts toward compliance with listing maintenance standards.

Our basic policy is to improve our stock price and "market capitalization of tradable shares." By promoting specific measures in the medium-term three-year plan ending in October 2026, we aim to comply with the listing maintenance standards by achieving sustainable growth and improving corporate value over the medium to long term.

3. Issues and details of initiatives for items that do not comply with listing maintenance standards.

(1) Issues

The Company recognizes the following as the reasons why the market capitalization of tradable shares for the fiscal year ending October 2024 did not reach the standard. In addition to the slump in

stock prices triggered by the stock price crash that occurred in August 2024, the industry recession in our main businesses and changes in business forecasts (downward revisions) due to large-scale cancellations affected our stock prices, and we were unable to improve our stock prices. Therefore, we believe it is important to increase and maintain our stock price and market capitalization of tradable shares by recovering and improving your business performance.

(2) Details of the initiative

① Recovery of main business

In our mainstay beauty ICT business, the beauty industry, which we sell to, continues to be in an uncertain situation due to concerns such as a shortage of beauty staff, prolonged price hikes, and the start of repayments for coronavirus loans. However, the promotion of user DX, which has accelerated during the coronavirus pandemic, still emphasizes online customer attraction, digitalization of office work, data security, and IT investment to expand corporate competitiveness and improve operational efficiency will continue, it is expected that this number will continue to increase. Based on these circumstances, we will promote specific measures in the three-year medium-term plan ending in October 2026.

In system sales in particular, we will work to increase orders and sales in advance due to demand for replacements due to the end of support for Windows 10. Furthermore, we will promote alliances with other companies and expand our fee-based stock business, which provides new content services that support customers' management.

Through these initiatives, we aim to quickly recover our business performance and achieve renewed growth.

② Shareholder return

Our company recognizes that returning profits to our shareholders is one of our most important management issues, and our basic policy is to provide continuous shareholder returns based on stable dividends. The Company has increased dividends for the fourth consecutive year in the fiscal year ending October 2024. We will continue to provide stable and continuous returns to our shareholders.

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