December 13, 2024

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（Tokyo Stock Exchange Standard Market , Code 3974）
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Notice Regarding Summary Results of Evaluation of Effectiveness of the Board of Directors

SCAT Inc. (the “Company”) would like to inform you of the summary of the evaluation of the effectiveness of the Board of Directors in FY2024, with the aim of increasing corporate value by improving the functions of the Board of Directors.

1. Analysis and evaluation methods.

The Company's "Nomination and Compensation Committee" will distribute a questionnaire to all directors and corporate auditors in which they can provide graded evaluations and comments regarding the effectiveness of the Board of Directors in fiscal 2024, and all will receive responses anonymously.
After compiling this information, it was analyzed and evaluated by the Board of Directors.

(1) Implementation period

November 2024	Questionnaire creation, collection, evaluation/analysis, and problem extraction
December 2024	Report from the Nomination and Compensation Committee to the Board of Directors
December 2024	Evaluation and presentation

(2) Rater

All directors and all auditors

(3) Implementation method

Conducting a questionnaire for all evaluators
Evaluation and analysis of survey results and extraction of issues by the nomination and remuneration committee.

(4) Evaluation item

Part 1	Composition of the Board of Directors
Part 2	Management of the board of directors
Part 3	Board of Directors agenda
Part 4	Structure to support the Board of Directors

2. Summary of evaluation results

In the self-evaluation of each director and corporate auditor, the effectiveness of the Company's Board of Directors has improved from the previous year's evaluation, but issues with effectiveness were identified.

Among the items that were evaluated, in particular, the use of secure cloud-based file boxes to ensure time for preliminary review of materials was recognized as improving convenience and invigorating the proceedings of the Board of Directors meetings. However, although we tried implementing measures with ROE and PBR in mind through trial and error, we were not able to obtain satisfactory results.
Furthermore, it was pointed out that there is still a lack of consideration for environmental management such as ESG management and SDGs, and human capital, including health management. These became future challenges.
Furthermore, among the individual themes, there were improvements in executive training, which was an issue last year, by taking online training provided by TSE. However, it depends on the qualifications of each officer, and there was an opinion that the company needs to develop an educational system.

3. Improved items

(1) Deepening discussions on management strategy.

4. Initiatives based on evaluation results.

As a result of discussions based on the results of this evaluation, the Board of Directors has recognized the following as issues and will take initiatives to improve the effectiveness of the Board of Directors.

(1) Board of Directors agenda.
``Discussion of the direction of management strategy,'' ``management compensation,'' and ``risk management'' were improved by the executive board and committees. However, the results of various measures aimed at improving return on equity (ROE) and price earnings ratio (PER) to improve corporate value are insufficient, the utilization of human capital, and ESG (SDGs) related to the environment. It was pointed out that there was not enough discussion about the response.

(2) Strengthening the system that supports the Board of Directors
In order to energize the Board of Directors, the Company recommends training for officers, improves the quality of discussions at the Board of Directors, and strengthens management oversight functions.

Based on the results of this effectiveness evaluation, the Company's Board of Directors will build an even more complete corporate governance system.

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