February 13, 2025

Company name: SCAT Inc.
（Tokyo Stock Exchange Standard Market , Code 3974）
Representative： Hideo Nagashima
Representative Director and President
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Notice regarding disposal of treasury stock as restricted stock compensation.

SCAT Inc. (the “Company”) hereby announces that, at the Board of Directors meeting held on February 13, 2025, the Directors resolved as follows to dispose of treasury stock as stock compensation with transfer restrictions (hereinafter referred to as "the treasury stock disposal").

1. Disposal summary.

（１）	Disposal date	March 6, 2025
（２）	Class and number of shares to be disposed	Our common stock 7,809 shares
（３）	Disposal price	395 yen per share
（４）	Total disposal value	3,084,555 yen
（５）	Recipients and number of shares to be disposed	・Director of our company（*1） 4 Directors, 6,594 shares ・Audit & Supervisory Board Member of the Company（*2） 1 auditor, 1,215shares *1：Excluding outside directors. *2：Excludes outside corporate auditors.

2. Purpose and Reasons for the Disposal.

At the board of directors meeting held on December 14, 2023, the Company resolved to introduce a restricted stock compensation system for the Company's directors and auditors. (Excluding outside directors and outside corporate auditors. Hereinafter referred to as "target directors and target corporate auditors.") The purpose of the introduction is to give directors an incentive to continuously improve the company's corporate value and promote further sharing of value with shareholders, and to give auditors an incentive to prevent damage to the company's corporate value and maintain trust.

Additionally, at the Company's 56th Ordinary General Meeting of Shareholders held on January 30, 2024, the following approval was received based on this system.

To set the total amount of monetary remuneration claims to be paid as remuneration for restricted

stock to eligible directors and eligible auditors of the Company to be within 10 million yen per year for eligible directors and within 2 million yen per year for eligible auditors.

The total number of restricted stocks to be allocated in each fiscal year shall be limited to 20,000 shares for eligible directors and 4,000 shares for eligible corporate auditors.

The transfer restriction period for restricted stock shall be from the date of issuance of the restricted stock to the date on which the person retires from either the position of director or auditor.

The outline of this system is as follows.

[Overview of this system]

The Eligible Directors and Eligible Audit & Supervisory Board Members will pay in all of the monetary claims provided by the Company under this Plan as assets contributed in kind, and will be issued or disposed of as common stock of the Company. The amount to be paid per share will be determined by the Board of Directors based on the closing price of the Company's common stock on the Tokyo Stock Exchange during the most recent one-month period up to the business day before the date of the Board of Directors' resolution, to the extent that the amount is not particularly advantageous to the Eligible Directors and Eligible Audit & Supervisory Board Members who subscribe to the common stock. In addition, when issuing or disposing of the Company's common stock under this system, a restricted stock allocation agreement will be entered into between the Company and the eligible Directors and Audit & Supervisory Board Members. The contents include: (1) Eligible Directors and Eligible Audit & Supervisory Board Members will be prohibited from transferring, creating a security interest on, or otherwise disposing of the Company's common stock allocated under the Restricted Stock Allocation Agreement for a certain period of time, and (2) the Company will acquire the common stock free of charge if certain events occur.

Taking into account the purpose of this system, the Company's business performance, the scope of duties of each Eligible Director and Eligible Audit & Supervisory Board Member, and various other circumstances, we have decided to grant a total of 3,084,555 yen in monetary remuneration claims and a total of 7,809 shares of our common stock to Eligible Directors and Eligible Audit & Supervisory Board Members.

In order to share the benefits and risks of stock price fluctuations with shareholders, which is the purpose of introducing this system, and to further increase motivation and morale to contribute to improving business performance and corporate value over the medium to long term, the transfer restriction period is from the date of disposal to the date on which you retire from your position as a director of the Company.

In this treasury stock disposal, based on this system, the four eligible directors and one eligible corporate auditor (hereinafter referred to as the "allotted persons") who are the allottees will deliver all of the monetary remuneration claims to the Company as assets contributed in kind, and will assume the common stock to be disposed of by the Company (hereinafter referred to as the "allotted shares").

The outline of the restricted stock allotment agreement (hereinafter referred to as the "Allotment Agreement") to be concluded between the Company and the eligible directors in this treasury stock disposal is set out in 3. below.

3. Allocation contract overview.

① Transfer restriction period.

The period will be from the date of disposal of restricted stock (March 6, 2025) until the date on which the allotted person retires from his or her position as a director or auditor of the Company. However, if the date of retirement is before January 31, 2027, the term will be until February 1, 2027.

② Release of transfer restrictions

Provided that the allotted person continues to hold the position of either a director or auditor of the Company during the transfer restriction period, transfer restrictions will be lifted for all of the allotted shares at the expiration of the transfer restriction period.

③ Free acquisition of restricted stock

If the Allotted Person retires from his or her position as a director or auditor of the Company during the Transfer Restriction Period, the Company shall naturally acquire the Allotted Shares free of charge at the time of such resignation, unless there is a reason that the Board of Directors of the Company deems justifiable.

Additionally, if any of the Allotted Shares has not had its transfer restrictions lifted based on the grounds for cancellation of transfer restrictions in ② at the expiration of the Transfer Restriction Period, the Company will naturally acquire these shares free of charge immediately after the expiration of the period.

④ Management of restricted stocks

Those eligible for allotment will complete the opening of an account with SMBC Nikko Securities Inc. in which the Allotted Shares will be described or recorded in a manner specified by the Company, and will store and maintain the Allotted Shares in that account until the transfer restrictions are lifted.

⑤ Handling in organizational restructuring

During the Transfer Restriction Period, if a merger agreement in which the Company becomes a dissolving company, a stock exchange agreement in which the Company becomes a wholly owned subsidiary, a stock transfer plan, or any other proposal regarding organizational reorganization, etc. is approved at the general meeting of shareholders or the board of directors of the Company, the Company will naturally acquire all of the Allotted Shares free of charge as of the business day before the effective date of the reorganization, etc.

4. Basis for calculation of payment amount and its specific content

The price for disposal of treasury stock will be 395 yen, which is the simple average of the closing price of the Company's common stock on the Tokyo Stock Exchange for the most recent month up to February 12, 2025, in order to eliminate arbitrariness.

This is the market share price immediately before the resolution date of the Board of Directors of the Company, and the Company consider it to be a reasonable price but not particularly advantageous price.

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