



August 25, 2025

Company name: SCAT Inc.

Code 3974, Tokyo Stock Exchange Standard Market, Nagoya Stock Exchange Main Market

Representative : Hideo Nagashima

Representative Director and President

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Notice Regarding the Gratis Allotment of shares.

SCAT Inc. (the “Company”), we would like to announce that at the Board of Directors meeting held on August 25, 2025, it was resolved to carry out a gratis allotment of shares using treasury stock held by the company as detailed below.

1. Purpose of the gratis allotment allocation of shares.

The Company recognize that returning profits to shareholders is one of our most important management priorities, and our basic policy is to provide "sustained shareholder returns based on stable dividends."

The Company holds a large amount of treasury stock and recognizes that securing tradable shares is an important management issue. (41.70% of the Company's issued shares).

As part of the " Notice regarding plans for compliance with listing maintenance standards" published on December 13, 2024, the Company has resolved to carry out a gratis allotment of shares in order to increase the liquidity of its shares and to make effective use of its treasury stock to return profits to shareholders.

A gratis allotment of shares is a system under Article 185 of the Companies Act that allows the Company to allot its shares without requiring shareholders to make any new payments. Unlike a stock split, treasury shares held by the Company are not subject to the allotment. All of the Company's shares to be allocated to shareholders will be sourced from treasury stock held by the Company.

This procedure can be completed by our company, each securities company, the Japan Securities Depository Center, and the shareholder registry administrator, Sumitomo Mitsui Trust Bank, Limited (hereinafter referred to as "SMTB"). Shareholders do not need to take any special steps.

Notification of this allocation is scheduled to be sent by SMTB in late October 2025.

2. Overview of the gratis allotment allocation of shares.

(1) Method of the gratis allotment allocation of shares.

The gratis allotment of shares will be carried out with September 30, 2025 as the record date, and the

Company will allot treasury shares held by the Company free of charge at a ratio of 0.1 common shares for each common share held by shareholders recorded in the final shareholder register on that date.

(2) Status of shares to be transferred through gratis allotment

▪Total number of shares issued before the gratis allotment allocation of shares.	5,240,000 shares
▪Total number of treasury shares not subject to gratis allotment of shares.	2,184,977 shares
▪Total number of shares to be issued through gratis allotment of shares.	305,502 shares
▪Total number of shares issued after the gratis allotment allocation of shares.	5,240,000 shares

The above is as of July 31, 2025. The number of treasury shares may change in the future due to the acquisition or disposal of treasury shares by the record date.

3. Schedule for the gratis allotment allocation of shares.

Date of announcement of gratis allotment of shares.	September 10, 2025
Record date for gratis allotment of shares.	September 30, 2025
Effective date of the gratis allotment of shares.	October 1, 2025

4. Others

(1) About our capital.

The amount of the Company's capital will not change as a result of this free allotment of shares.

(2) About dividends.

As of today, there is no change to the forecast final dividend (7 yen per share) for the fiscal year ending October 2025 due to this gratis allotment of shares. If there are any changes in the future, we will notify you again.

As a result of this gratis allotment of shares, 0.1 shares will be allocated per share, effectively increasing dividends by 10%.

(3) How to handle fractional shares resulting from a gratis allotment of shares.

Fractional shares less than one share resulting from the gratis allotment of shares will be sold in a lump sum in accordance with Article 234, Paragraph 1 of the Companies Act, and the disposal proceeds will be distributed to shareholders with fractional shares in proportion to the fractional shares.

(4) Regarding shares less than one unit (less than 100 shares) resulting from a gratis allotment of shares

As a result of the gratis allotment of shares, there may be shares less than 100 shares that constitute a trading unit.

Shareholders who hold shares less than the trading unit can use the following purchase system.

[Purchase system for shares less than the unit price]

This is a system under which shareholders can request that the Company purchase their shares less than one unit, pursuant to Article 192, Paragraph 1 of the Companies Act.

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