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Company name: SCAT Inc.

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

Representative : Hideo Nagashima

Representative Director and President

Contact for Inquiries : Sakae Takahashi

IR Manager & Corporate Planning Office Manager

(Tel.03-6275-1130)

## **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 FY2025, 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 2025, and all will receive responses anonymously.

After compiling this information, it was analyzed and evaluated by the Board of Directors.

#### **(1) Implementation period**

November 2025 Questionnaire creation, collection, evaluation/analysis, and problem extraction

December 2025 Report from the Nomination and Compensation Committee to the Board of Directors

December 2025 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. In terms of the items that were evaluated, the Board of Directors was able to hold well-organized discussions, particularly with regard to the agenda and proceedings of the meetings. Specifically, materials and issues discussed in advance at the Executive Committee, which is responsible for business execution, and at voluntary committees were shared in a secure cloud file box with the Outside Directors and Outside Audit & Supervisory Board Members who would be participating in the Board of Directors meetings, encouraging their understanding in advance. This allowed us to secure time to discuss important management issues, such as measures related to stock prices and the number of shares outstanding, as well as measures related to human capital, which led to the implementation of various measures. However, it was pointed out that there is still a lack of discussion on sustainability topics such as ESG management and SDGs, which has become a future challenge.

Regarding the individual theme of ensuring cooperation with the Internal Audit Department, the issue was resolved by having the head of the Internal Audit Office participate in Board of Directors meetings as an explainer. With regard to "executive training," training opportunities were secured through training provided by external specialist organizations and online training offered by the Tokyo Stock Exchange and other organizations. However, there was an opinion that training still relied on the qualifications of the individual.

3. Improved items

- (1) Sharing the agenda in advance improves meeting efficiency.
- (2) Share and address issues by securing opportunities for discussion with the internal audit department.
- (3) 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.: Sustainability

With regard to "discussions on the direction of business strategies, etc.", "management compensation," and "risk management," the Company has established and operated an Executive Committee and voluntary committees, which have led to the organization and visualization of issues and improvements. However, there were indications that there was a lack of discussion on "sustainability," which has become an issue for future management.

##### (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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