

Company name: Scala, Inc.
 Representative: Hideaki Nitta, Director, Representative Executive Officer & President
 Security code: 4845
 Listing: Tokyo Stock Exchange Prime Market
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Notice Regarding Plan to Meet the Continued Listing Criteria (Entering Improvement Period)

Scala, Inc. (the “Company”) did not meet the continued listing criteria for the Prime Market as of June 30, 2025. The Company has prepared a plan to meet these criteria, which is outlined below.

1. The Company's Status of Conformity to the Continued Listing Criteria, Planning Period, and Improvement Period

The Company's status of conformity to the continued listing criteria for the Prime Market as of June 30, 2025, is as shown in the table below. The Company does not meet the criterion for "Market Capitalization of Tradable Shares" and has now entered an improvement period. We will proceed with various initiatives to meet this criterion.

Please note that if the Company's conformity to the "Market Capitalization of Tradable Shares" criterion is not confirmed within the improvement period ending June 30, 2026, its shares will be designated as a Security Under Supervision (Confirmation) by the Tokyo Stock Exchange. Subsequently, if conformity is not confirmed as a result of the review by the Tokyo Stock Exchange based on the share distribution report as of June 30, 2026, the Company's shares will be designated as a Security to Be Delisted and may be delisted on June 30, 2026.

As announced in the disclosure "Notice Regarding the Policy to Change Market Segment to the Standard Market" dated June 24, 2025, the Company is considering changing its market segment to the Standard Market to enhance its corporate value over the medium to long term, in light of its business scale and the surrounding market conditions.

	Number of shareholders	Number of tradable shares	Market capitalization of tradable shares	Ratio of tradable shares
The Company's status as of end of June 2025	16,274	154,376 units	6.1 billion yen	86.9%
Continued listing criteria	800	20,000 units	10.0 billion yen	35.0%
Conformity status	Compliant	Compliant	Non-compliant	Compliant
Planning period (Improvement period)	-	-	Until the end of June 2026	-

Note: The Company's conformity status is calculated based on the share distribution status, etc., known to the Tokyo Stock Exchange as of the record date (June 30, 2025).

2. Basic Policy, Issues, and Initiatives to Meet the Continued Listing Criteria

(1) Basic Policy

Having completed our business structure reforms and established a solid earnings base, the Company will steadily promote the growth strategies outlined in the "Mid-Term Management Plan 2026-2028" announced today. We aim to achieve sustainable growth in corporate value by transforming our business, optimizing our portfolio, and strengthening the profitability of our core businesses. At the same time, we will strive to increase the trust of our stakeholders, including shareholders, by balancing a sound financial base with shareholder returns. Through these initiatives, we aim to increase the market capitalization of tradable shares and meet the listing criterion.

(2) Issues and Initiatives

The criterion for "Market Capitalization of Tradable Shares (10.0 billion yen or more)" is composed of "Market Capitalization" and "Ratio of Tradable Shares." While the Company meets the "Ratio of Tradable Shares" criterion as of the record date, we recognize that improving our overall "Market Capitalization" is the most significant issue. To achieve this, we believe it is crucial to restore market trust, establish a clear path to renewed growth, and steadily improve our business performance.

1) Increasing Market Capitalization (Enhancing Corporate Value and Share Price)

Previously, the Company's business portfolio was diversified, leading to a dispersion of management resources. As a result, the profitability of each business did not improve sufficiently, and we believe our intrinsic corporate value was not properly evaluated by the market. We recognize that this situation led to a sluggish stock price and the failure to meet the market capitalization criterion. To continuously increase market capitalization, enhancing corporate value through business growth is essential. We will accelerate the growth of our consolidated performance with the following business strategies as pillars to achieve the "Mid-Term Management Plan 2026-2028."

- Further Strengthening of the DX Business

In our growth-driving DX Business, we will further enhance our "partner-style" business model that builds continuous relationships with customers, based on the stable revenue from our SaaS/ASP services, aiming to maximize LTV (Lifetime Value). In particular, we will expand our recurring revenue by leveraging our strong relationships with local governments to build a "Government Co-creation SaaS Suite" and by developing a "Next-Generation BPaaS" utilizing AI technology. In the fiscal year ended June 2025, thanks to the results of our business structure reforms, the segment profit turned significantly positive to 776 million yen (compared to a loss of 1,168 million yen in the previous fiscal year), and we will further enhance this profitability.

- Recovery and Renewed Growth of the Human Resources Business

Although affected by a temporary resource shortage in the fiscal year ended June 2025, we expect both revenue and operating profit to increase year-on-year in the fiscal year ending June 2026, due to resource improvements at ASPLA Inc. and a full-year profit contribution from GeaREmake Inc. We will steadily implement recruitment and training enhancements to achieve renewed business growth.

- Accelerating Growth of the TCG Business

Our e-commerce site "Card Shop -Yuyutei-" is growing steadily, supported by the expansion of our logistics base and the launch of direct overseas shipping services. Going forward, we will capture new growth opportunities, such as full-scale expansion into overseas markets and the SaaS deployment of a "Business System for TCG Wholesalers" to contribute to the industry's digital transformation, thereby expanding the business.

2) Maintaining and Improving the Ratio of Tradable Shares and Gaining Appropriate Market Valuation

In addition to the share price, ensuring liquidity is another important issue. We will promote the following initiatives to ensure that our corporate value is properly reflected in our share price.

- Enhancing Shareholder Returns

We consider shareholder returns a key management priority and aim for a total dividend amount equivalent to 50% of profit before tax, excluding special factors such as gains on sales of subsidiaries. Based on this policy, we plan an annual dividend of 16.5 yen per share for the fiscal year ended June 2025 and an increase to 17.0 yen per share for the fiscal year ending June 2026. Going forward, we will strive to balance stable and continuous dividends with performance-linked returns, in parallel with growth investments leveraging our strong financial base.

- Strengthening IR Activities

We recognize the importance of strengthening our IR activities to deepen the understanding of our corporate value and growth potential among all stakeholders. Specifically, we will provide regular updates on the progress of our Mid-Term Management Plan, enhance the quality and quantity of information on our IR website, and increase communication opportunities with both individual and institutional investors. By promoting constructive dialogue with the market, we aim to achieve an appropriate valuation of our corporate value.

(Reference)

3. Status of Conformity to the Listing Criteria for the Standard Market

Regarding the quantitative listing criteria for a change in market segment, as of the end of June 2025, our internal calculations show that the Company meets all the listing criteria for the Standard Market (Number of Shareholders, Number of Tradable Shares, Market Capitalization of Tradable Shares, and Ratio of Tradable Shares). We also meet the profit-based criterion required for the application (profit before tax of 100 million yen or more).

	Number of shareholders	Number of tradable shares	Market capitalization of tradable shares	Ratio of tradable shares
The Company's status as of end of June 2025	16,274	154,376 units	6.1 billion yen	86.9%
Listing criteria	400	2,000 units	1.0 billion yen	25.0%
Conformity status	Compliant	Compliant	Compliant	Compliant

Note: The above is calculated based on the share distribution status, etc., known to the Tokyo Stock Exchange as of the record date (June 30, 2025).

Note: This document has been translated from the Japanese original for reference purposes only.
In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.