

(English Translation)

This English translation is an abridged version of the original document in Japanese. In the event of any discrepancy, the Japanese version prevails.

Stock code: 4845

September 2, 2024

(Commencement of measures for electronic provision) August 30, 2024

To Our Shareholders:

Hideaki Nitta
Director, Representative Executive
Officer & President

Scala, Inc.
2-21-1, Shibuya, Shibuya-ku, Tokyo

Notice of Convocation of the 38th Ordinary General Meeting of Shareholders

We would like to take this opportunity to thank you for your support of Scala, Inc. (“Scala” or the “Company”). We will hold the 38th Ordinary General Meeting of Shareholders as described below.

When convening this General Meeting of Shareholders, we take measures for providing information that constitutes the content of the Reference Documents for the General Meeting of Shareholders, etc. (matters subject to measures for electronic provision) in electronic format, and posts this information on the following websites.

Scala website

<https://scalagr.jp/en/ir/convocation/>

Tokyo Stock Exchange (TSE) website

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the TSE website, enter the issue name (Scala) or securities code (4845), and click “Search” to find search results. Then, click “Basic information” and “Documents for public inspection/PR information” to find “The 38th General Meeting of Shareholders.”

Date and time	Tuesday, September 24, 2024 at 10 a.m. (JST)
Place	B2F Ballroom, Cerulean Tower Tokyu Hotel 26-1 Sakuragaoka-cho, Shibuya-ku, Tokyo
Meeting agenda	<p>Matters to be reported:</p> <ol style="list-style-type: none"> 1. The Business Report, Consolidated Financial Statements and the results of audits conducted by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements for the Company's 38th Fiscal Year (July 1, 2023 - June 30, 2024) 2. Non-consolidated Financial Statements for the Company's 38th Fiscal Year (July 1, 2023 - June 30, 2024)
	<p>Proposals to be resolved:</p> <p>Proposal No. 1: Dividends from Surplus</p> <p>Proposal No. 2: Decreases in Legal Capital Surplus and Legal Retained Earnings, and Appropriation of Retained Earnings</p> <p>Proposal No. 3: Election of Six Directors</p>
Revision of matters not stated in the document delivered upon request for delivery in writing and matters subject to measures for electronic provision	<p>Among the items of the electronic provisioning measures, the following items are not included in the documents to be delivered to shareholders who have requested delivery of the documents in compliance with the laws and ordinances as well as Article 14 of the Scala Articles of Incorporation.</p> <ul style="list-style-type: none"> - "Assets and Operating Results for the Past Three Fiscal Years," "Main Offices," "Status of Employees," "Status of Major Lenders," "Status of Stock," "Status of Share Acquisition Rights," "Matters Relating to Outside Officers," "Status of Accounting Auditor," "Systems to Ensure the Propriety of Operations by Executive Officers," "Systems for the Audit Committee to Perform Its Duties," "Overview of Operational Status of Systems to Ensure the Propriety of Operations by Executive Officers and Systems for the Audit Committee to Perform Its Duties," "Basic Policy on the Control over the Company," and "Policy on Deciding Dividend Payments," included in Business Report - Consolidated Financial Statements - Non-consolidated Financial Statements - Accounting Audit Report on Consolidated Financial Statements - Accounting Audit Report on Non-consolidated Financial Statements - Auditing Report of Audit Committee <p>The Audit Committee and the Accounting Auditor have audited documents subject to audits including the above items.</p> <p>Irrespective of whether or not a request for delivery in writing has been submitted, all shareholders will receive paper documents for this General Meeting of Shareholders.</p> <p>If any amendment is made to the items of the electronic provision measures, a notice of the amendment will be disclosed on the websites described on page 1.</p>

<p>Distribution of a video of the General Meeting of Shareholders</p>	<p>Scala plans to distribute a video of part of this meeting afterward.</p> <p>After the meeting, this video will be posted on the Scala website (https://scalagr.jp/ir/convocation/) as soon as preparations have been completed.</p> <p>Precautions</p> <ul style="list-style-type: none">• Accessing this video may not be possible due to the status of the PC or other device used, the internet connection, or for some other reason.• A notice will be posted on the Scala website if the distribution of this video is suspended for some reason.
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Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Dividends from Surplus

The distribution of earnings to shareholders is one of the highest priorities of Scala. The basic policy is to pay a stable dividend while retaining earnings as needed to increase financial soundness and fund upcoming activities for the growth of business operations, and the Company has continuously increased the dividend. In accordance with this policy, we are asking shareholders to approve the following fiscal year-end dividend, considering future business development.

This dividend is to be funded by using the other capital surplus.

1. Type of dividend:
Cash

2. Dividend payment and total amount:
18.75 yen per share of common stock of the Company
Total amount of dividends: 325,377,206 yen

3. Effective date of distribution of retained earnings:
September 25, 2024

Proposal No. 2: Decreases in Legal Capital Surplus and Legal Retained Earnings, and Appropriation of Retained Earnings

As of June 30, 2024, there was a retained loss brought forward of 214,329,112 yen. Scala is asking shareholders to approve reductions in the legal capital surplus and legal retained earnings, and an appropriation of retained earnings. The purposes of these actions are to offset the retained loss carried forward, improve financial soundness, and facilitate speed and flexibility concerning activities, including shareholder distributions, involving equity.

If this proposal is approved, in accordance with Paragraph 1, Article 448 of the Companies Act, Scala will transfer the entire legal capital surplus and all legal retained earnings to other capital surplus and retained earnings brought forward. In addition, in accordance with Article 452 of the Companies Act, part of other capital surplus will be transferred to retained earnings brought forward to eliminate the loss brought forward.

1. Reductions:

Legal capital surplus

4,886,302 yen of 4,886,302 yen (entire amount)

Legal retained earnings

64,587,709 yen of 64,587,709 yen (entire amount)

2. Appropriation of retained earnings

If this transfer of legal retained earnings to retained earnings brought forward takes place, a retained loss brought forward of 149,741,403 yen will remain. As a result, in accordance with Article 452 of the Companies Act, following this transfer, part of other capital surplus will be transferred to retained earnings brought forward to eliminate the loss brought forward.

(1) Reductions:

Other capital surplus: 149,741,403 yen of 1,381,136,289 yen

(2) Increases

Retained earnings brought forward: 149,741,403 yen

3. Effective date of reductions and appropriation of retained earnings

October 26, 2024

Proposal No. 3: Election of Six Directors

The terms of office of all ten directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. Therefore, based on the decision of the Nominations Committee, Scala proposes the election of six directors, a decrease in the number of directors by four in order to facilitate strategic and speedy decision-making at the Board of Directors following the ongoing business restructuring. The company's basic policy is that at least one-third of its directors are independent outside directors. If this proposal is approved, the ratio of independent outside directors to the number of directors will remain one-third as before. The candidates for directors are as follows.

Candidate No.	Name	Current Positions at the Company
1	<u>Re-elected</u> Seiichi Kiyomi	Director, Representative Executive Officer & Chairman and Member of Remuneration Committee
2	<u>Re-elected</u> Hideaki Nitta	Director, Representative Executive Officer & President and Member of Nominations Committee
3	<u>Re-elected</u> Takeo Aida	Director and Chairman of Audit Committee
4	<u>Re-elected</u> Shoichi Watanabe <u>Outside/Independent</u>	Outside Director, Chairman of Nominations Committee and Remuneration Committee
5	<u>Re-elected</u> Satoshi Ugajin <u>Outside/Independent</u>	Outside Director and Member of Audit Committee
6	<u>Re-elected</u> Takuto Kawanishi <u>Outside/Independent</u>	Outside Director, Member of Nominations Committee, Remuneration Committee and Audit Committee

Candidate No.
1

Seiichi Kiyomi

(Date of birth: March 31, 1970)

Re-elected

Number of shares of the Company held: 177,100 shares

Past experience, positions, responsibilities and significant concurrent positions

June 1990	Joined SYSTEM'S Co., Ltd.
October 1994	Joined Database Communications, Inc.
April 2004	Joined Digi-Ana Communications Inc. (currently Scala Communications, Inc.)
July 2009	Director of Digi-Ana Communications Inc. (currently Scala Communications, Inc.)
July 2011	Director & Vice President of Digi-Ana Communications Inc. (currently Scala Communications, Inc.)
December 2011	Director & President of Digi-Ana Communications Inc. (currently Scala Communications, Inc.)
September 2013	Director of the Company
September 2019	Senior Executive Officer of the Company
March 2020	Representative Director of LEOCONNECT Inc. (current)
June 2020	Representative Director of Connect Agency Inc.
September 2021	Director of the Company (current)
September 2021	Executive Officer of the Company
September 2021	Representative Director of Scala Service, Inc. (current)
April 2024	Representative Executive Officer & Chairman of the Company (current)

Reason for the nomination

As the president and in other executive roles at Scala subsidiaries, Mr. Kiyomi has contributed to the growth of corporate value as Representative Executive Officer & Chairman of the Company since April 2024. He has considerable knowledge and experience concerning the core DX business and associated businesses. Shareholders are asked to elect Mr. Kiyomi as a director to enable him to continue to contribute to the sustained growth of the Company.

Responsibilities and significant concurrent positions

None

Candidate No.

2

Hideaki Nitta

(Date of birth: April 15, 1975)

Re-elected

Number of shares of the Company held: 113,800 shares

Past experience, positions, responsibilities and significant concurrent positions

June 1998	Joined Zapic Co., Ltd.
October 2007	Joined Digi-Ana Communications Inc. (currently Scala Communication, Inc.)
December 2010	General Manager of Sales Department of Digi-Ana Communications Inc. (currently Scala Communications, Inc.)
December 2011	Director of Digi-Ana Communications Inc. (currently Scala Communications, Inc.)
September 2015	Director of the Company
September 2019	Senior Executive Officer of the Company
June 2021	Representative Director of Scala Communications, Inc. (current)
June 2021	President & CEO of Scala Next, Inc.
September 2021	Director of the Company (current)
September 2021	Executive Officer of the Company
February 2022	Representative Director of EGG CO., LTD. (current)
April 2024	Representative Director (Vice Chairman) of Japan Healthcare Platform, Inc. (current)
April 2024	Representative Executive Officer & President of the Company (current)

Reason for the nomination

As a director of Scala subsidiaries and in other executive roles, Mr. Nitta has contributed to the growth of corporate value as Representative Executive Officer & President of the Company since April 2024. Mr. Nitta has considerable knowledge and experience concerning the core DX business and has expertise concerning the use of co-creation for developing new businesses. Shareholders are asked to elect Mr. Nitta as a director to enable him to continue to contribute to the sustained growth of the Company.

Responsibilities and significant concurrent positions

Representative Director (Vice Chairman) of Japan Healthcare Platform, Inc.

Candidate No.

3

Takeo Aida

(Date of birth: February 7, 1955)

Re-elected

Number of shares of the Company held: 47,400 shares

Past experience, positions, responsibilities and significant concurrent positions

April 1977	Joined Okasan Securities Co., Ltd.
February 2001	General Manager of Administrative Department of the Company
September 2007	Full-time Audit & Supervisory Board member of the Company
September 2011	Retired from Full-time Audit & Supervisory Board member of the Company Director of Database Communications, Inc. (currently Scala Service, Inc.)
July 2012	Director & Vice President of Database Communications, Inc. (currently Scala Service, Inc.)
September 2013	Full-time Audit & Supervisory Board member of the Company
September 2021	Director of the Company (current)

Reason for the nomination

As the general manager of the Administration Department of Scala and the vice president of a Scala subsidiary, as well as in other roles, Mr. Aida has extensive experience and knowledge concerning corporate management. He also has many years of experience as a member of the Audit & Supervisory Board and Audit Committee. Shareholders are asked to elect Mr. Aida as a director to enable him to use this experience and knowledge to perform audits using professional skills and diverse perspectives.

Responsibilities and significant concurrent positions

None

Candidate No.
4

Shoichi Watanabe

(Date of birth: May 23, 1962)

Re-elected
Outside
Independent

Number of shares of the Company held: 40,100 shares

Past experience, positions, responsibilities and significant concurrent positions

- April 1989 Joined Sumitomo Electric Industries, Ltd.
- April 1993 Registered as an attorney at law, joined Miyoshi & Associates Law Firm
- April 2003 Opened Takaku and Watanabe Law Office (currently The Rights Law and Patent Offices) (current)
- September 2007 Outside Audit & Supervisory Board member of the Company
- September 2013 Outside Director of the Company (current)
- June 2020 Outside Audit & Supervisory Board member of Matsumotokiyoshi Holdings Co., Ltd. (currently MatsukiyoCocokara & Co.) (current)

Reason for the nomination and summary of expected roles

Although Mr. Watanabe has no experience in participating directly in corporate management, except by serving as an outside officer, he has experience as an outside director and, as an attorney at law, has extensive knowledge and experience concerning legal matters and compliance. Shareholders are asked to elect Mr. Watanabe as an outside director to enable him to contribute to the sustained growth of Scala by using this experience to provide advice concerning legal matters and compliance and to perform the oversight of management.

Responsibilities and significant concurrent positions

Attorney at Law, Partner at The Rights Law and Patent Offices, Outside Audit & Supervisory Board member of MatsukiyoCocokara & Co.

Candidate No.
5

Satoshi Ugajin

(Date of birth: February 11, 1975)

Re-elected
Outside
Independent

Number of shares of the Company held: 2,000 shares

Past experience, positions, responsibilities and significant concurrent positions

- October 1997 Joined Deloitte Touche Tohmatsu (current Deloitte Touche Tohmatsu LLC) Tokyo Office
- March 2005 Joined Kenedix, Inc., seconded to Kenedix REIT Management, Inc.
- September 2007 Joined Mizuho Corporate Advisory Co., Ltd. (currently Mizuho Bank, Ltd.)
- November 2008 Joined Japan Business Assurance Co., Ltd.
- August 2011 Director of JBA HR Solution Co., Ltd. (current)
- September 2015 Managing Director of Japan Business Assurance Co., Ltd.
Director of JBA Holdings Co., Ltd. (current)
- August 2016 Supervisory Officer of ESCON JAPAN REIT Investment Corporation (current)
- March 2019 Audit & Supervisory Board member (part-time) of Info Cubic Japan Co., Ltd.
- September 2019 Outside Audit & Supervisory Board member of the Company
- September 2021 Outside Director of the Company (current)
- September 2023 Representative Director of JBA HR Solution Co., Ltd. (current)
- September 2023 Representative Director of JBA Financial Advisory Co., Ltd. (current)

Reason for the nomination and summary of expected roles

Mr. Ugajin has considerable experience and knowledge as a certified public accountant. Shareholders are asked to elect Mr. Ugajin as an outside director to enable him to use this experience and knowledge to perform audits using professional skills and diverse perspectives.

Responsibilities and significant concurrent positions

Certified Public Accountant, Director of JBA Holdings Co., Ltd., Supervisory Officer of ESCON JAPAN REIT Investment Corporation, Representative Director of JBA HR Solution Co., Ltd., Representative Director of JBA Financial Advisory Co., Ltd.

Candidate No.
6

Takuto Kawanishi

(Date of birth: August 10, 1976)

Re-elected
Outside
Independent

Number of shares of the Company held: 7,400 shares

Past experience, positions, responsibilities and significant concurrent positions

October 2003	Registered as an attorney at law, joined Midosuji Legal Profession Corporation (Osaka Bar Association)
January 2008	Joined the Inspection Department of Financial Services Agency (Financial Securities Inspector, Special Inspector)
February 2010	Joined Midosuji Legal Profession Corporation Tokyo Office (Tokyo Bar Association)
January 2012	Partner at Midosuji Legal Profession Corporation Tokyo Office
June 2015	Outside Director of FIS Co., Ltd.
July 2015	Joined Nozomi Sogo Attorneys at Law
July 2016	Partner at Nozomi Sogo Attorneys at Law (current)
July 2018	Outside Audit & Supervisory Board member of Rakuten Insurance Holdings Co., Ltd. (current)
September 2019	Outside Audit & Supervisory Board member of the Company
June 2020	Outside Director of AICHI CORPORATION (current)
September 2021	Outside Director of the Company (current)
June 2024	Outside Director (Audit and Supervisory Committee member) of Matsui Securities Co., Ltd. (current)

Reason for the nomination and summary of expected roles

Although Mr. Kawanishi has no experience in participating directly in corporate management, except by serving as an outside officer, he has considerable experience and knowledge as an attorney at law. Shareholders are asked to elect Mr. Kawanishi as an outside director to enable him to use this experience and knowledge to perform the governance and audits using professional skills and diverse perspectives.

Responsibilities and significant concurrent positions

Attorney at Law, Partner at Nozomi Sogo Attorneys at Law, Outside Audit & Supervisory Board member of Rakuten Insurance Holdings Co., Ltd., Outside Director of AICHI CORPORATION, Outside Director (Audit and Supervisory Committee member) of Matsui Securities Co., Ltd.

Notes:

1. There are no special interests between each candidate and the Company.
2. Mr. Shoichi Watanabe, Mr. Satoshi Ugajin, and Mr. Takuto Kawanishi are candidates for outside directors.
3. Special note regarding candidates for outside directors:
 - (1) The term of office as an outside director of Mr. Shoichi Watanabe is eleven years at the conclusion of this shareholders meeting. The term of office as outside directors of Mr. Satoshi Ugajin and Mr. Takuto Kawanishi are three years at the conclusion of this shareholders meeting.
 - (2) In accordance with the provisions of Paragraph 1, Article 427 of the Companies Act, the Company has entered into an agreement with Mr. Shoichi Watanabe, Mr. Satoshi Ugajin, and Mr. Takuto Kawanishi to limit their liability for damages under Paragraph 1, Article 423 of the same act. The details of this agreement are stated on the Business Report “2. Situation of the Company, 1. Status of the Board Members, 2. Overview of Liability Limitation Agreements” (Japanese only). If the reappointment of each individual is approved, the Company plans to continue the relevant agreement with each individual.
 - (3) The Company has registered Mr. Shoichi Watanabe, Mr. Satoshi Ugajin, and Mr. Takuto Kawanishi, as independent directors in accordance with the provisions of the Tokyo Stock Exchange. If their appointment is approved, the Company will continue to designate Mr. Shoichi Watanabe, Mr. Satoshi Ugajin, and Mr. Takuto Kawanishi as independent directors.
4. The Company has entered into a liability insurance contract for directors as stipulated in Article 430-3 of the Companies Act, naming all directors of the Company (including outside directors) as insureds, and in the event that each candidate is reappointed or elected as a director of the Company, each candidate will be insured under the relevant insurance contract. The details of this agreement are stated on the Business Report “2. Situation of the Company, 1. Status of the Board Members, 3. Overview of a Liability Insurance Contract for Directors” (Japanese only). The insurance policy is scheduled to be renewed in March 2025, during the term of office of each candidate.
5. The number of shares of the Company held by each candidate is the number of shares as of June 30, 2024.

Reference: Skills and Professional Knowledge of Director Candidates (Skill Matrix)

The skill matrix shows a composition of the Board of Directors capable of supporting the sustained growth of corporate value and performing the effective oversight of management. In addition to experience and accomplishments involving corporate management, Scala has specified the key skills*¹ and key professional expertise*² that the Board of Directors needs and requires, based on the Scala's plan, strategic objectives and business climate. The skill matrix that indicates directors skills and expertise is as follows.

⊙: Essential skills and professional expertise expected of directors

○: Outstanding skills and professional expertise

Candidates for Directors		Seiichi Kiyomi	Hideaki Nitta	Takeo Aida	Shoichi Watanabe	Satoshi Ugajin	Takuto Kawanishi
					Independent Outside Director	Independent Outside Director	Independent Outside Director
Key skills* ¹	Sustainability management				⊙		○
	Inorganic growth	⊙	○			○	
	New business development		⊙				
	Management supervision and monitoring	○		⊙	○	○	⊙
Key professional expertise* ²	IT/DX	⊙	⊙				
	Finance, accounting and M&A		○	○		⊙	
	Legal affairs and risk management	○			⊙		⊙

*1 Key skills

- Sustainability management: The ability to establish management strategies that incorporate the goal of sustainable growth
- Inorganic growth: The ability to establish management strategies that use M&A and other methods for non-linear growth
- New business development: The ability to conceive ideas for business that can become new profit centers and then launch and expand these businesses
- Management supervision and monitoring: The ability to accurately understand how business operations are conducted and play a leading role in dealing with issues and taking the company in the proper direction

*2 Key professional expertise

- IT/DX: Expertise concerning Scala's core IT/IoT/AI businesses and digital technologies
- Finance, accounting and M&A: Expertise concerning finance and accounting required for the management of a listed company and concerning M&A
- Legal affairs and risk management: Expertise concerning legal affairs and risk management required for the management of a listed company