March 14, 2025

Company name: SCAT Inc.
（Tokyo Stock Exchange Standard Market , Code 3974）
Representative： Hideo Nagashima
Representative Director and President
Contact for Inquiries： Sakae Takahashi
Director, Executive Officer
(Tel.03-6275-1130)

Notice Regarding the Absorption-type Merger of a Wholly owned Subsidiary (Simplified Merger)

SCAT Inc. (the "Company") hereby announces that, at a meeting of the Board of Directors held on March 14, 2025, it has resolved to execute an absorption-type merger of VID Co., Ltd., a wholly owned subsidiary of the Company, as described below. This merger will follow procedures for a simplified merger. As this is a merger with a wholly owned subsidiary, some disclosure items have been omitted.

The details are as follows.

1. Purpose of the Merger

VID Co., Ltd. is a wholly owned subsidiary of our company, and is primarily engaged in the beauty ICT business (system development, maintenance, and sales of POS systems for beauty salons).
As a result of repeated consideration from the perspective of improving management efficiency, the company has decided to merge with VID Co., Ltd. in order to consolidate management resources within the group and unify business operations.

2. Overview of the Merger

(1) Merger Schedule

Date of the meeting of the Board of Directors where the merger was approved: March 14, 2025
Date of conclusion of the merger agreement: March 15, 2025
Planned date of the merger (effective date): June 1, 2025 (planned)

※） This schedule may be changed upon consultation between the two companies if necessary for procedural or other reasons.

Note： As this is a simplified merger prescribed in Article 796, Paragraph 2 of the Companies Act, it will be executed without obtaining the approval of the General Meeting of Shareholders for the merger agreement by the surviving company

(2) Merger Method

The merger will be an absorption-type merger where the Company is the surviving company.

VID Co., Ltd. will be dissolved.

(3) Details of Share Allotment Associated with the Merger

This is a merger with a wholly owned subsidiary of the Company, and there is no agreement on merger ratio. The Company will not, therefore, issue new shares or pay merger grants.

3. Overview of the Companies Involved in the Merger (as of October31, 2024)

(1) Trade name	SCAT Inc. (Surviving company in the absorption-type merger)	VID Co., Ltd. (Disappearing company in the absorption-type merger)
(2) Address of head office	1-6-33 Joto, Oyama City, Tochigi Prefecture	1-20-2 Imaizumi, Chuo-ku, Fukuoka City, Fukuoka Prefecture
(3) Representative	Hideo Nagashima Representative Director and President	Masamiti Shirakawa Representative Director and President
(4) Business description	Beauty ICT business business service business Nursing care service business	Beauty ICT business
(5) Share capital	¥200 million	¥10 million
(6) Date of establishment	December 17, 1969	December 1, 2016
(7) Number of issued shares	3,047,214shares (Excluding 2,192,786 shares of treasury stock)	1,000 shares
(8) Fiscal year-end	October 31	October 31
(9) Major shareholders and shareholding ratios	1. Custody Bank of Japan, Ltd. (trust account) (6.91%) 2. Fukoku Mutual Life Insurance Company (6.69%) 3. M･H･GROUP LTD.(4.84%)	SCAT Inc.（100%）
(10) Financial condition and results of operations of the most recent fiscal year		
	FY2024 (consolidated)	FY2024 (non-consolidated)
Total assets	¥2,938 million	¥135 million
Net assets	¥1,946 million	¥115 million
Net assets per share	¥686.19	¥115,511
Net assets	¥2,594 million	¥110 million
Operating profit	¥147 million	¥14 million
Ordinary profit	¥156 million	¥14 million
Profit attributable to owners of parent	¥100 million	¥10 million
Basic earnings per share	¥35.87	¥14.08

4. Status After the Merger

The trading name, business description, head office address, representative, share capital, or fiscal year-end the Company will remain unchanged after the merger.

5. Impact on Financial Results

The impact of this merger on consolidated financial results will be minimal.

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.