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.

September 12, 2025

Consolidated Financial Results for the Nine Months Ended July 31, 2025 (Under Japanese GAAP)

Company name: SCAT Inc.
Listing: Tokyo Stock Exchange, Nagoya Stock Exchange
Securities code: 3974
URL: https://www.scat.inc/
Representative: Nagashima Hideo President and CEO
Inquiries: Nishio Shinobu Director,General Manager of Accounting and Finance Division
Telephone: +81-3(6275)1130

Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended July 31, 2025 (from November 1, 2024 to July 31, 2025)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
July 31, 2025	1,949	(0.6)	147	21.7	148	16.6	93	12.7
July 31, 2024	1,961	(4.1)	120	(33.7)	127	(30.4)	83	(39.6)

Note: Comprehensive income For the nine months ended July 31, 2025: ¥ 95 million [13.3%]
For the nine months ended July 31, 2024: ¥ 84 million [(41.3) %]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
July 31, 2025	33.06	-
July 31, 2024	30.01	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
July 31, 2025	2,921	2,004	68.6
October 31, 2024	2,938	1,946	66.2

Reference: Equity
As of July 31, 2025: ¥ 2,004 million
As of October 31, 2024: ¥ 1,946 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended October 31, 2024	-	6.00	-	7.00	13.00
Fiscal year ending October 31, 2025	-	7.00	-		
Fiscal year ending October 31, 2025 (Forecast)				7.00	14.00

Note: Revisions to the forecast of cash dividends most recently announced: None

The company plans to allocate treasury shares free of charge at a ratio of 0.1 shares for each common share on October 1, 2025. As a result of this gratis allotment of shares, 0.1 shares will be allocated per share, effectively increasing dividends by 10%.

3. Consolidated financial result forecasts for the fiscal year ending October 31, 2025 (from November 1, 2024 to October 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	2,718	4.8	215	45.8	215	37.5	136	36.6	47.70

Note: Revisions to the financial result forecast most recently announced: None

The company plans to allocate treasury shares free of charge at a ratio of 0.1 shares for each common share on October 1, 2025. The impact of the gratis allotment is taken into account in the consolidated earnings forecast for net income per share.

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: - companies( )

Excluded: 1 companies(VID Co., Ltd.)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of July 31, 2025	5,240,000 shares
As of October 31, 2024	5,240,000 shares

(ii) Number of treasury shares at the end of the period

As of July 31, 2025	2,391,252 shares
As of October 31, 2024	2,403,211 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended July 31, 2025	2,842,767 shares
Nine months ended July 31, 2024	2,779,743 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that the Company believes are reasonable, and actual results may differ significantly from these forecasts due to a wide range of factors.

4. Qualitative Information on Financial Results for the Period under Review

（1） Explanation of Business Results

During the third quarter of the FY2025 (November 1, 2024 to July 31, 2025), Japan's economy continues to show a trend of recovery in social and economic activity, but the outlook remains uncertain due to factors such as the unstable international situation, the impact of the weak yen and continuing price increases on personal consumption. In the information and communications industry, our core business, with the advancement and spread of digital technology, there is an increasing demand for IT and DX-related services aimed at improving corporate productivity and strengthening competitiveness, and the market environment continues to be favorable. In this environment, our company has announced a three-year medium-term plan starting from the fiscal year ending October 2024, and is working on measures to improve shareholder value and corporate value, as well as mechanisms for growth strategies.

The company is listed on the Standard Market of the Tokyo Stock Exchange, and on July 14, 2025, we were also listed on the Main Market of the Nagoya Stock Exchange. We aim to increase understanding and awareness of our business among as many shareholders as possible, particularly individual investors who make up the majority of our shareholders, and to expand opportunities for ongoing dialogue.

In the beauty ICT business, we have been certified by METI as a DX certified business and an IT implementation support business. Furthermore, some existing users have increased their inquiries, including demand for equipment replacement following the end of Windows 10 maintenance in October this year, and we have secured profits that exceeded our initial expectations.

In the business services business, monthly business sales provide stable revenue as a base, and the company has also been certified by METI as a business innovation support organization, and is working to expand its consulting services.

In the nursing care services business, the segment profit and loss was affected by a series of deaths of residents at the nursing care facilities due to the worsening of chronic illnesses since May of this year, but the results were generally similar to those of the previous consolidated fiscal year.

As a result, consolidated results for the third quarter of the FY2025, we achieved net sales of ¥1,949,564 thousand (down 0.6% year-on-year), operating income of ¥147,188 thousand (up 21.7% year-on-year), ordinary income of ¥148,794 thousand (up 16.6% year-on-year), and profit attributable to owners of parent of ¥93,991 thousand (up 12.7% year-on-year).

Operating results by business segment are as follows. Segment income is based on operating income.

a) Beauty ICT business.

In the beauty ICT business, we are working to further improve the stock revenue of maintenance, content, and new fee-based services, in addition to system sales, which are our main source of revenue.

During the current interim consolidated fiscal period, the number of orders received exceeded initial forecasts, and sales projects planned for the current consolidated fiscal year are steadily increasing, laying a solid foundation for achieving budgetary targets.

In the third quarter, the acquisition of orders, a leading indicator of sales, progressed faster than initially expected, and we steadily accumulated sales-planned projects, securing profit results that exceeded those of the previous fiscal year.

In terms of system sales, we have begun selling "Sacla PREMIUM Plus - DX Partner for Beauty -," the latest version of the "Sacla Series" DX system for beauty salons. We will utilize the IT Introduction Subsidy 2025 to sell DX support products and ensure that we capture the special demand for replacement due to the end of support for Windows 10.

Regarding the sales management system "i-SCAP/EX" for beauty dealers, we are promoting the sale and collaboration of "Invoice Cloud for Beauty" developed by M・H・GROUP LTD.(TSE Standard: 9439), which operates and manages the hair salon "Mods Hair".

In the fee-based stock business, in order to mitigate the risk of fluctuations in system sales performance, we will accelerate the accumulation of stock-based revenue from content and maintenance, etc., and work to stabilize our revenue base while continuing to take steps toward further growth.

Furthermore, by merging with consolidated subsidiary VID Inc. on June 1, 2025, we will accelerate the efficiency of our development resources and, in addition to upgrading our existing content, we will also begin building new systems that utilize AI, a technology essential for next-generation services, leading to further evolution of our systems and content.

As a result of the above, in the current third quarter consolidated cumulative period, sales were ¥1,140,734 thousand (down 1.4% year-on-year), and segment profit was ¥83,354 thousand (up 34.8% year-on-year).

b) Business service business.

In the business service business, we provide various services centered on accounting and accounting office work that support the management of SMEs. The company have been certified by METI as a “Support agencies for business innovation” and provide consulting services such as formulating plans to improve management capabilities and supporting business restructuring to improve customers' management issues.

Our core business accounting services are centered on financial reports such as monthly settlements, providing cash flow support, bookkeeping and payroll calculation outsourcing (BPO) services, and IT system operation of related accounting, payroll, and sales management software, and we provide support and risk management (life and non-life insurance agency business).

In the third quarter, core business operations such as monthly accounting and settlement agency services saw steady growth thanks to measures such as acquiring new corporate clients, which have been promoted since last year. We will continue to strive to expand various services for corporate back-office operations, such as improving efficiency through clients' digital transformation, business succession, and providing consulting services as a certified support organization.

As a result of the above, in the current third quarter consolidated cumulative period, sales were ¥249,955 thousand (up 1.4% year-on-year), and segment profit was ¥31,352 thousand (up 7.3% year-on-year).

c) Nursing care service business.

In the nursing care service business, we operate three paid nursing homes with nursing care (Sano City, Tochigi Prefecture, Tatebayashi City, Gunma Prefecture, and Komoro City, Nagano Prefecture), and also operate a home support business in Komoro City, Nagano Prefecture.

At paid nursing homes with nursing care, we have experienced another wave of deaths due to old age or the worsening of chronic illnesses after May this year, but occupancy rates are gradually recovering. This is due to the resumption of various events and facility tours, as well as the strengthening of collaboration with local medical and nursing care organizations, which has greatly promoted the number of residents.

In addition, for home care services such as day services and short stays, we have maintained a high occupancy rate without any major infections due to the development and implementation of infectious disease control measures (BCP).

On the cost front, on the other hand, we are appropriately controlling the high prices of ingredients and utilities. However, we consider personnel expenses to maintain and expand high-quality nursing care services, and recruitment costs associated with supplementing nursing care staff to be an investment in the future.

As a result of the above, in the current third quarter consolidated cumulative period, sales were ¥548,266 thousand (up 0.9% year-on-year), and segment profit was ¥24,210 thousand (up 12.3% year-on-year).

（２） Explanation regarding future forecast information such as consolidated business forecasts.

There are no changes to the consolidated performance forecast for FY2025 that were announced on December 13, 2024.

（３） Basic policy regarding profit distribution and dividends for the current period.

The company recognizes that returning profits to our shareholders is one of our most important management issues, and our basic policy is to provide "continuous shareholder returns based on stable dividends." Furthermore, we pay dividends twice a year (interim dividend and year-end dividend) in order to enhance opportunities to return profits to shareholders.

① Shareholder benefits (commemorative benefits)

As announced in the " Notice of the Implementation of Shareholder Benefits to Commemorate Redundant Listing on the Nagoya Stock Exchange Main Board" on July 8, 2025, in appreciation of our shareholders' ongoing support following our dual listing on the Nagoya Stock Exchange Main Market, we plan to offer a commemorative benefit of a 1,000 yen QUO card to shareholders who hold one unit (100 shares) or more of our company's stock as of the end of October 2025.

② Regarding the Gratis Allotment of shares.

As announced in the " Notice Regarding the Gratis Allotment of shares" on August 25, 2025, 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.

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.

③ Regarding the year-end dividend

Regarding dividends for the fiscal year ending October 2025, orders and business performance are progressing steadily toward the end of the current fiscal year, and we plan to pay an annual dividend of 14 yen per share (interim dividend of 7 yen and year-end dividend of 7 yen).

The company plans to allocate treasury shares free of charge at a ratio of 0.1 shares for each common share on October 1, 2025. As a result of this gratis allotment of shares, 0.1 shares will be allocated per share, effectively increasing dividends by 10%.

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.

Quarterly Consolidated Balance Sheet

(Thousands of yen)

	As of October 31, 2024	As of July 31, 2025
Assets		
Current assets		
Cash and deposits	1,258,499	1,144,060
Accounts receivable - trade	236,605	270,015
Merchandise	24,400	43,128
Work in process	1,206	1,527
Other	57,789	62,253
Allowance for doubtful accounts	(109)	(147)
Total current assets	1,578,391	1,520,836
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,036,446	1,060,002
Accumulated depreciation	(433,409)	(452,511)
Buildings and structures, net	603,037	607,491
Land	210,813	288,935
Other	138,681	109,807
Accumulated depreciation	(122,034)	(95,275)
Other, net	16,647	14,532
Total property, plant and equipment	830,498	910,958
Intangible assets		
Software	128,760	151,281
Software in progress	84,970	42,092
Goodwill	22,229	11,114
Other	2,427	1,617
Total intangible assets	238,388	206,106
Investments and other assets		
Investment securities	63,240	65,100
Deferred tax assets	161,450	155,667
Other	82,477	77,957
Allowance for doubtful accounts	(15,697)	(15,524)
Total investments and other assets	291,470	283,199
Total non-current assets	1,360,358	1,400,265
Total assets	2,938,749	2,921,102

(Thousands of yen)

	As of October 31, 2024	As of July 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	51,257	72,127
Current portion of long-term borrowings	61,680	61,680
Accrued expenses	112,907	109,140
Income taxes payable	22,560	18,172
Provision for bonuses	71,174	37,020
Other	106,934	89,427
Total current liabilities	426,513	387,567
Non-current liabilities		
Long-term borrowings	116,840	70,580
Provision for retirement benefits for directors (and other officers)	16,685	16,685
Provision for share awards	36,693	42,402
Retirement benefit liability	338,883	348,420
Asset retirement obligations	40,810	36,675
Other	15,741	14,380
Total non-current liabilities	565,654	529,144
Total liabilities	992,168	916,711
Net assets		
Shareholders' equity		
Share capital	200,000	200,000
Capital surplus	348,199	348,685
Retained earnings	2,238,524	2,289,800
Treasury shares	(838,724)	(833,972)
Total shareholders' equity	1,947,999	2,004,514
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(1,418)	(123)
Total accumulated other comprehensive income	(1,418)	(123)
Total net assets	1,946,580	2,004,390
Total liabilities and net assets	2,938,749	2,921,102

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the nine months ended December 31, 20XX

(Thousands of yen)

	For the nine months ended July 31, 2024	For the nine months ended July 31, 2025
Net sales	1,961,278	1,949,564
Cost of sales	1,198,863	1,173,415
Gross profit	762,415	776,149
Selling, general and administrative expenses	641,430	628,960
Operating profit	120,984	147,188
Non-operating income		
Interest income	5	536
Dividend income	6	6
Insurance claim income	2,023	-
Facility rental fee	1,182	1,317
Subsidy income	3,395	1,875
Other	972	876
Total non-operating income	7,585	4,613
Non-operating expenses		
Interest expenses	966	1,007
Commission expenses	-	2,000
Other	13	-
Total non-operating expenses	979	3,007
Ordinary profit	127,590	148,794
Extraordinary income		
Gain on sale of non-current assets	982	-
Settlement income	4,000	-
Total extraordinary income	4,982	-
Extraordinary losses		
Loss on retirement of non-current assets	33	8,808
Loss on abandonment of inventories	2,484	-
Total extraordinary losses	2,517	8,808
Profit before income taxes	130,055	139,985
Income taxes - current	33,276	40,775
Income taxes - deferred	13,364	5,218
Total income taxes	46,640	45,993
Profit	83,415	93,991
Profit attributable to owners of parent	83,415	93,991

Quarterly Consolidated Statement of Comprehensive Income

For the nine months ended December 31, 20XX

(Thousands of yen)

	For the nine months ended July 31, 2024	For the nine months ended July 31, 2025
Profit	83,415	93,991
Other comprehensive income		
Valuation difference on available-for-sale securities	709	1,295
Total other comprehensive income	709	1,295
Comprehensive income	84,124	95,286
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	84,124	95,286