



## Consolidated Financial Results for the Three Months Ended January 31, 2025 [Japanese GAAP]

March 14, 2025

Company name: SCAT Inc.

Listing: Tokyo

Securities code: 3974

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

President and CEO

Director, General Manager of Accounting and Finance Division

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

### 1. Consolidated Financial Results for the Three Months Ended January 31, 2025 (November 1, 2024 to January 31, 2025)

#### (1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended January 31, 2025	626	(7.1)	29	(33.9)	29	(37.5)	17	(39.2)
January 31, 2024	674	3.9	44	7.2	47	10.4	29	(9.8)

(Note) Comprehensive income: Three months ended January 31, 2025: ¥ 16 million [ (48.0) %]  
Three months ended January 31, 2024: ¥ 30 million [ (8.5) %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended January 31, 2025	6.34	-
January 31, 2024	10.73	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of January 31, 2025	2,860	1,941	67.9
October 31, 2024	2,938	1,946	66.2

(Reference) Equity: As of January 31, 2025: ¥ 1,941 million  
As of October 31, 2024: ¥ 1,946 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	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	-				
Fiscal year ending October 31, 2025 (Forecast)		7.00	-	7.00	14.00

(Note) Revision to the forecast for dividends announced most recently: Yes

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending October 31, 2025 :

Commemorative dividend - yen  
Special dividend - yen

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending October 31, 2025(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	48.24

(Note) Revision to the financial results forecast announced most recently: None

\* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name: )  
Excluded: - (Company name: )

(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

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(4) Number of issued shares (common shares)

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

January 31, 2025: 5,240,000 shares  
October 31, 2024: 5,240,000 shares

2) Number of treasury shares at the end of the period:

January 31, 2025: 2,402,111 shares  
October 31, 2024: 2,403,211 shares

3) Average number of shares outstanding during the period:

Three months ended January 31, 2025: 2,837,452 shares  
Three months ended January 31, 2024: 2,761,315 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

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.
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## 1. Qualitative Information on Financial Results for the Period under Review

### (1) Explanation of Business Results

During the first quarter of the FY2023 (November 1, 2023 to January 31, 2024), the Japanese economy continues to show signs of recovery in social and economic activities, the future remains uncertain due to factors such as protracted international conflicts, the impact on the exchange rate due to expectations and caution following the inauguration of Mr. Trump as President of the United States, and soaring prices. 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.

In the beauty ICT business, we have been certified by METI as a DX certified business and an IT implementation support business. The products and content services we provide are eligible for IT introduction subsidies, and we are responding to the demand for DX in user salons. Against this background, we will expand the scope of our beauty ICT services, expand the functionality of our own application software to enhance our DX system, and make key investments in hiring career human resources, in order to establish a foundation for sustainable growth.

In the business service business, we have been recognized as a "Support agencies for business innovation" by METI for our specialized knowledge and practical experience in supporting SMEs, and are working to secure consulting services.

In the nursing care services business, the occupancy rate of paid nursing homes with nursing care has improved and we are securing stable profits.

As a result, consolidated results for the first quarter of the FY2025, we achieved net sales of ¥626,335 thousand (down 7.1% year-on-year), operating income of ¥29,218 thousand (down 33.9% year-on-year), ordinary income of ¥29,560 thousand (down 37.5% year-on-year), and profit attributable to owners of parent of ¥17,991 thousand (down 39.2% year-on-year).

#### 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. In the first quarter, based on lessons learned from the slowdown in the second half of the previous fiscal year, we focused on securing orders as early as possible. As a result, we are progressing in line with our initial forecast, and we are steadily accumulating sales plans from the second quarter onwards. Going forward, we will work to ensure that we capture the special demand for replacement due to the start of the "IT Introduction Subsidy 2025" and 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 paid stock business, we will launch the new content "Lineup EC", which will be on sale from November 2024, and will provide salons with a service that allows them to easily open an EC shop within the LINE Mini app. Through this, we

will contribute to the creation of new revenue sources for salons and further accumulate revenue from web content. Furthermore, in addition to upgrading existing content, we will also begin research and development of new mechanisms that utilize AI, a technology that will be essential for future services, and will lead to results in systems and content.

As a result of the above, in the current first quarter consolidated cumulative period, sales were ¥353,702 thousand (down 13.9% year-on-year), and segment profit was ¥3,254 thousand (down 89.7% 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).

By providing these services, we have strengthened our relationships with existing customers, and our alliances with referral partner companies, local financial institutions and professionals have led to stable acquisition of new customers.

In the first quarter, we increased our accounting services for public interest corporations such as school corporations, and our core business of monthly accounting and settlement agency services showed stable growth. Furthermore, in order to expand property management services related to our clients' businesses, we are actively working to expand our services, including starting a real estate transaction business and signing a new agency agreement with MetLife. We will continue to strive to expand various services for corporate backyard operations, such as improving efficiency using digital technology for clients, providing consulting services for business succession and as a certified support organization.

As a result of the above, in the current first quarter consolidated cumulative period, sales were ¥79,625 thousand (up 0.7% year-on-year), and segment loss was ¥7,662 thousand (up 62.5% 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, the occupancy rate has recovered to over 90% since the beginning of the first quarter. 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 first quarter consolidated cumulative period, net sales were ¥189,471 thousand (up 5.4% year-on-year), and segment profit was ¥15,539 thousand (up 219.8% 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.

Regarding dividends for the FY2025, we have revised our initial annual dividend forecast of 13 yen per share (interim dividend 6yen, year-end dividend 7 yen) to 14 yen per share (interim dividend 7yen, year-end dividend 7 yen), as orders and performance forecasts are progressing steadily toward the end of the current fiscal year.

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of October 31, 2024	As of January 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	1,258,499	1,205,929
Accounts receivable - trade	236,605	226,355
Merchandise	24,400	35,821
Work in process	1,206	755
Other	57,789	64,074
Allowance for doubtful accounts	(109)	(104)
Total current assets	1,578,391	1,532,831
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,036,446	1,036,446
Accumulated depreciation	(433,409)	(439,839)
Buildings and structures, net	603,037	596,607
Land	210,813	210,813
Other	138,681	127,248
Accumulated depreciation	(122,034)	(110,948)
Other, net	16,647	16,299
Total property, plant and equipment	830,498	823,720
Intangible assets		
Software	128,760	101,390
Software in progress	84,970	101,542
Goodwill	22,229	18,524
Other	2,427	2,157
Total intangible assets	238,388	223,614
Investments and other assets		
Investment securities	63,240	60,450
Deferred tax assets	161,450	153,017
Other	82,477	82,360
Allowance for doubtful accounts	(15,697)	(15,658)
Total investments and other assets	291,470	280,168
Total non-current assets	1,360,358	1,327,504
Total assets	2,938,749	2,860,336

(Thousands of yen)

	As of October 31, 2024	As of January 31, 2025
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	51,257	41,798
Current portion of long-term borrowings	61,680	61,680
Accrued expenses	112,907	105,188
Income taxes payable	22,560	4,662
Provision for bonuses	71,174	32,883
Other	106,934	110,644
Total current liabilities	426,513	356,857
Non-current liabilities		
Long-term borrowings	116,840	101,420
Provision for retirement benefits for directors (and other officers)	16,685	16,685
Provision for share awards	36,693	38,743
Retirement benefit liability	338,883	347,679
Asset retirement obligations	40,810	40,902
Other	15,741	16,175
Total non-current liabilities	565,654	561,606
Total liabilities	992,168	918,463
<b>Net assets</b>		
Shareholders' equity		
Share capital	200,000	200,000
Capital surplus	348,199	348,199
Retained earnings	2,238,524	2,235,185
Treasury shares	(838,724)	(838,153)
Total shareholders' equity	1,947,999	1,945,231
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(1,418)	(3,358)
Total accumulated other comprehensive income	(1,418)	(3,358)
Total net assets	1,946,580	1,941,872
Total liabilities and net assets	2,938,749	2,860,336

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Thousands of yen)

	For the three months ended January 31, 2024	For the three months ended January 31, 2025
Net sales	674,370	626,335
Cost of sales	406,218	385,168
Gross profit	268,152	241,166
Selling, general and administrative expenses	223,966	211,947
Operating profit	44,186	29,218
Non-operating income		
Interest income	0	-
Insurance claim income	1,482	-
Facility rental fee	398	437
Subsidy income	1,243	-
Other	350	224
Total non-operating income	3,474	661
Non-operating expenses		
Interest expenses	346	319
Total non-operating expenses	346	319
Ordinary profit	47,314	29,560
Extraordinary losses		
Loss on retirement of non-current assets	0	-
Total extraordinary losses	0	-
Profit before income taxes	47,314	29,560
Income taxes - current	1,215	2,285
Income taxes - deferred	16,483	9,283
Total income taxes	17,699	11,569
Profit	29,615	17,991
Profit attributable to owners of parent	29,615	17,991



Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Thousands of yen)

	For the three months ended January 31, 2024	For the three months ended January 31, 2025
Profit	29,615	17,991
Other comprehensive income		
Valuation difference on available-for-sale securities	1,223	(1,940)
Total other comprehensive income	1,223	(1,940)
Comprehensive income	30,839	16,051
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	30,839	16,051