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March 13, 2026

Consolidated Financial Results for the Three Months Ended January 31, 2026 (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

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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 three months ended January 31, 2026 (from November 1, 2025, to January 31, 2026)

(1) Consolidated operating results (cumulative)

(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, 2026	660	5.5	44	52.6	45	55.1	28	57.9
January 31, 2025	626	(7.1)	29	(33.9)	29	(37.5)	17	(39.2)

Note: Comprehensive income For the three months ended January 31, 2026: ¥ 28 million [79.6%]
For the three months ended January 31, 2025: ¥ 16 million [(48.0)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
January 31, 2026	9.06	-
January 31, 2025	6.34	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
January 31, 2026	2,959	2,044	69.1
October 31, 2025	3,035	2,038	67.2

Reference: Equity

As of January 31, 2026: ¥ 2,044 million

As of October 31, 2025: ¥ 2,038 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, 2025	-	7.00	-	7.00	14.00
Fiscal year ending October 31, 2026	-				
Fiscal year ending October 31, 2026 (Forecast)		7.00	-	7.00	14.00

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

3. Consolidated financial result forecasts for the fiscal year ending October 31, 2026 (from November 1, 2025 to October 31, 2026)

(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	2,630	1.0	200	3.9	200	1.9	126	0.7	40.33

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

* Notes

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

Newly included: - companies()
Excluded: - companies()

(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 January 31, 2026	5,240,000 shares
As of October 31, 2025	5,240,000 shares

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

As of January 31, 2026	2,105,870 shares
As of October 31, 2025	2,107,170 shares

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

Three months ended January 31, 2026	3,133,637 shares
Three months ended January 31, 2025	2,837,452 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

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1. Consolidated Operating Results.

(1) Overview of Consolidated Operating Results.

During the first quarter of the FY2026 (November 1, 2025, to January 31, 2026), the Japanese economy continues to show signs of recovery in social and economic activity, 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, based on our three-year medium-term plan starting from the fiscal year ending October 2024, we are working on measures to improve shareholder value and corporate value, as well as on mechanisms for our growth strategy.

In the beauty ICT business, we are promoting a shift from a revenue structure centered on system sales to the beauty industry to a stock-based revenue model. While reducing the risk of fluctuations in system sales, we are accelerating the expansion of stock-based revenue, stabilizing our revenue base, and strengthening our efforts toward further growth. We have also begun creating new systems using AI, which will lead to the evolution of our systems and content.

In the business services business, we have secured a stable revenue base through monthly business sales of our base BPO services for small and medium-sized enterprises. Furthermore, the company has also been certified by METI as a "Support agencies for business innovation" and is working to expand its consulting services.

In the nursing care services business, the number of elderly residents passing away due to senility or worsening chronic illnesses at the Nursing homes with care facilities decreased the facility occupancy rate, and rising prices of food and other commodities affected business profits. In this situation, thanks to the operation of facilities that are rooted in the local community, the number of people seeking admission to nursing care facilities is currently increasing, and signs of recovery are emerging as we move towards the second quarter.

As a result, consolidated results for the first quarter of the FY2026, we achieved net sales of ¥660,944 thousand (up 5.5% year-on-year), operating income of ¥44,597 thousand (up 52.6% year-on-year), ordinary income of ¥45,859 thousand (up 55.1% year-on-year), and profit attributable to owners of parent of ¥28,405 thousand (up 57.9% year-on-year).

a) Beauty ICT business.

In the beauty ICT business, we are strategically promoting a shift from the traditional revenue structure centered on system sales to a stock-based revenue model centered on maintenance, web content, and free-based cloud services.

In the first quarter, sales and segment profits exceeded those of the same period last year, supported by a solid order situation.

In system sales, the target users for replacement lease sales in this fiscal year will be sales users from fiscal 2020 to fiscal 2021, when sales volume was sluggish due to the state of emergency declared in response to the COVID-19 pandemic, so this will be a fiscal year with the fewest target users in recent years. Therefore, as a measure to reliably capture replacement demand from existing customers and acquire new users, we will strengthen our sales promotion activities with the release of "Sacla PREMIUM Plus - DX Partner for Beauty -", the latest version of the "Sacla Series" DX system for beauty salons. In addition, with the release of the sales management system for beauty dealers, "DEALERS+ - DX Partner for Beauty -",

we are promoting DX through proper management of dealer inventory and working to support their management.

The adoption of web content products is steadily expanding, with orders for the electronic medical record system for salons, "cloud karte," growing in particular, and responding to the current demand for electronic medical records in the beauty industry. "cloud karte" can be used on multiple devices, offering the convenience of storing beauty records anytime, anywhere, and an intuitive UI, providing a seamless customer experience. We expect this service to grow further in the future as one of the core services of our content.

In addition, following the merger with consolidated subsidiary VID Co., Ltd. on June 1, 2025, we are currently working on a major upgrade of the "VID Cloud System," and we expect an increase in sales volume from the second quarter onwards. By increasing the proportion of fee-based businesses, we will further accelerate our structural reforms to create a stable revenue base.

Meanwhile, we are also actively promoting alliances with external companies, working to collaborate on services, expand sales channels, and create new added value. We have incorporated AI technology, which is essential for next-generation services, and have seen notable improvements in development efficiency and cost reductions. In addition, we are working to utilize AI in our sales system, specializing in functions to attract customers, and we aim to establish a competitive advantage in the medium to long term by further improving our systems and content.

Going forward, we will accelerate the transformation of our revenue structure, focusing on the sustainable expansion of stock-based revenue, and promote the establishment of a business foundation that combines stability and growth potential.

As a result of the above, in the current first quarter consolidated cumulative period, sales were ¥402,273 thousand (up 13.7% year-on-year), and segment profit was ¥33,609 thousand (up 932.8% 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).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.

During the first quarter, in addition to core services such as monthly accounting and settlement agency services, we received a steady stream of orders for consulting services, mainly focusing on asset succession. We are also expanding our real estate transaction services, which are used as part of asset succession and asset utilization, and are working to secure new business such as insurance agency contracts related to risk management. 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 ¥80,668 thousand (up 1.3% year-on-year), and segment profit was ¥8,148 thousand (up 6.3% 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.

During the first quarter, the occupancy rate of nursing care facilities for the elderly did not recover from the decline caused by the death of residents that began last fiscal year, which had an impact on business profits. In this situation, we have seen an increase in applicants for housing due to the resumption of various events and facility tours and strengthened collaboration with local medical and nursing care institutions. As the number of residents increases towards early spring, we expect facility occupancy rates to recover.

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, sales were ¥174,465 thousand (down 7.9% year-on-year), and segment profit was ¥131 thousand (down 99.2% year-on-year).

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

There are no changes to the consolidated performance forecast for FY2026 that were announced on December 12, 2025.

(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 Dividends for the fiscal year ending October 2026 (interim and final dividends)

The company will carefully consider dividends for the fiscal year ending October 2026, while carefully assessing our business performance and market environment. At this time, we plan to pay an annual dividend of 14 yen per share (interim dividend of 7 yen and year-end dividend of 7 yen), as announced on December 12, 2025.

② Shareholder benefits (commemorative benefits)

Regarding shareholder benefits for the fiscal year ending October 2026, as announced December 12, 2025 in the "Notice Concerning the Implementation of Shareholder Benefits Commemorating the 10th Anniversary of Listing on the Tokyo Stock Exchange and the Introduction of a Shareholder Benefit System for the Fiscal Year Ending October 2027," 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 shares as of the end of October 2026, as an expression of gratitude to our shareholders for their continued support as we mark the 10th anniversary of our listing on the Tokyo Stock Exchange.

Furthermore, we plan to introduce a shareholder benefit program based on the number of shares held by eligible shareholders and the length of time they have held the shares, toward the fiscal year ending October 2027.

Quarterly Consolidated Financial Statements and Primary Notes
Quarterly Consolidated Balance Sheet

(Thousands of yen)

	As of October 31, 2025	As of January 31, 2026
Assets		
Current assets		
Cash and deposits	1,240,234	1,227,587
Accounts receivable - trade	259,270	237,397
Merchandise	56,731	31,438
Work in process	2,538	2,808
Other	57,311	71,496
Allowance for doubtful accounts	(139)	(120)
Total current assets	1,615,947	1,570,607
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,063,299	1,061,453
Accumulated depreciation	(459,795)	(465,353)
Buildings and structures, net	603,504	596,100
Land	288,935	288,935
Other	115,140	114,717
Accumulated depreciation	(96,458)	(97,270)
Other, net	18,682	17,447
Total property, plant and equipment	911,121	902,482
Intangible assets		
Software	128,297	134,041
Software in progress	65,031	54,817
Goodwill	7,409	3,704
Other	1,347	1,077
Total intangible assets	202,085	193,642
Investments and other assets		
Investment securities	69,750	70,370
Deferred tax assets	173,476	159,557
Other	78,978	78,722
Allowance for doubtful accounts	(15,481)	(15,404)
Total investments and other assets	306,723	293,245
Total non-current assets	1,419,930	1,389,370
Total assets	3,035,878	2,959,977

(Thousands of yen)

	As of October 31, 2025	As of January 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	67,840	49,097
Current portion of long-term borrowings	61,680	61,680
Accrued expenses	113,299	149,548
Income taxes payable	54,298	6,498
Provision for bonuses	79,980	31,546
Other	105,703	109,823
Total current liabilities	482,803	408,194
Non-current liabilities		
Long-term borrowings	55,160	39,740
Provision for retirement benefits for directors (and other officers)	16,685	16,685
Provision for share awards	45,049	47,008
Retirement benefit liability	346,959	353,193
Asset retirement obligations	36,761	36,848
Other	13,807	13,767
Total non-current liabilities	514,423	507,243
Total liabilities	997,226	915,437
Net assets		
Shareholders' equity		
Share capital	200,000	200,000
Capital surplus	247,048	247,048
Retained earnings	2,321,319	2,326,207
Treasury shares	(732,784)	(732,208)
Total shareholders' equity	2,035,583	2,041,046
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,068	3,493
Total accumulated other comprehensive income	3,068	3,493
Total net assets	2,038,651	2,044,540
Total liabilities and net assets	3,035,878	2,959,977

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statement of Income
For the Three-Month Period

(Thousands of yen)

	For the three months ended January 31, 2025	For the three months ended January 31, 2026
Net sales	626,335	660,944
Cost of sales	385,168	401,373
Gross profit	241,166	259,570
Selling, general and administrative expenses	211,947	214,973
Operating profit	29,218	44,597
Non-operating income		
Interest income	-	162
Facility rental fee	437	479
Subsidy income	-	50
Other	224	854
Total non-operating income	661	1,546
Non-operating expenses		
Interest expenses	319	270
Other	-	14
Total non-operating expenses	319	284
Ordinary profit	29,560	45,859
Extraordinary losses		
Loss on retirement of non-current assets	-	14
Total extraordinary losses	-	14
Profit before income taxes	29,560	45,845
Income taxes - current	2,285	3,715
Income taxes - deferred	9,283	13,724
Total income taxes	11,569	17,440
Profit	17,991	28,405
Profit attributable to owners of parent	17,991	28,405

Quarterly Consolidated Statement of Comprehensive Income
For the Three-Month Period

(Thousands of yen)

	For the three months ended January 31, 2025	For the three months ended January 31, 2026
Profit	17,991	28,405
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,940)	425
Total other comprehensive income	(1,940)	425
Comprehensive income	16,051	28,830
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,051	28,830