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September 11, 2026

Consolidated Financial Results for the Nine Months Ended July 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

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, 2026 (from November 1, 2025 to July 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	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
July 31, 2026	1,926	(1.2)	127	(13.4)	135	(9.3)	84	(9.8)
July 31, 2025	1,949	(0.6)	147	21.7	148	16.6	93	12.7

Note: Comprehensive income For the nine months ended July 31, 2026: ¥ 84 million [(11.7) %]
For the nine months ended July 31, 2025: ¥ 95 million [13.3%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
July 31, 2026	26.98	-
July 31, 2025	33.06	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
July 31, 2026	2,944	2,085	70.8
October 31, 2025	3,035	2,038	67.2

Reference: Equity

As of July 31, 2026: ¥ 2,085 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	-	7.00	-		
Fiscal year ending October 31, 2026 (Forecast)				7.50	14.50

Note: Revisions to the forecast of cash dividends most recently announced: Yes

Note: For details regarding the revision to the dividend forecast, please refer to the "Notice Regarding Revision to Year-End Dividend Forecast (Dividend Increase)" announced today.

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	2,546	(2.2)	107	(44.4)	117	(40.4)	60	(51.8)	19.25

Note: Revisions to the financial result forecast most recently announced: Yes

Note: For the revision to the consolidated earnings forecast, please refer to the "Notice Regarding Revision of Full-Year Earnings Forecast" announced today.

* 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 July 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 July 31, 2026	2,088,924 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)

Nine months ended July 31, 2026	3,143,495 shares
Nine months ended July 31, 2025	2,842,767 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. Qualitative Information on Financial Results for the Period under Review

(1) Explanation of Business Results

During the third quarter of the FY2026 (November 1, 2025, to July 31, 2026), the Japanese economy continues to show signs of recovery in socioeconomic activity, the outlook remains uncertain due to factors such as shortages of crude oil-related products caused by the unstable international situation, and the impact on personal consumption due to rising prices.

In our core business, the information and communications industry, the advancement and widespread adoption of digital technologies have led to an increasing demand for AI-centered 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. As part of this initiative, we have launched a service (Beauty Salon Management Support Program) for our system users that provides back-office support, based on assistance in formulating business plans created by salon owners using management information provided by our POS x CRM x AI system.

In the nursing care services business, while there was a temporary decline in facility occupancy rates at our nursing care facilities due to the deaths of elderly residents, our community-based facility management has led to an increase in the number of people wishing to reside in our facilities, ensuring stable revenue.

As a result, consolidated results for the third quarter of the FY2026, we achieved net sales of ¥1,926,191 thousand (down 1.2% year-on-year), operating income of ¥127,470 thousand (down 13.4% year-on-year), ordinary income of ¥135,001 thousand (down 9.3% year-on-year), and profit attributable to owners of parent of ¥84,818 thousand (down 9.8% 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 actively working to move away from a revenue structure centered on the traditional sale of equipment and systems. Instead, we are vigorously building a sustainable and stable management foundation—one resilient to sales cycles and external environmental factors—by accumulating "recurring revenue" streams such as web content, subscription-based cloud systems, and maintenance fees.

Regarding the business environment for beauty-sector ICT, we are entering the period for replacing—via new lease agreements—systems that were originally installed during the sales slump caused by the COVID-19 state of emergency (fiscal years 2020–2021); consequently, the second half of the year falls into a "trough in the renewal cycle" (a low point), characterized by a temporary decline in the number of existing users eligible for system renewal. In addition to this, profits

have been squeezed by soaring procurement costs for hardware—such as servers and memory—and driven down by rising cloud infrastructure usage fees resulting from the depreciation of the yen, creating a persistently challenging business environment.

Amidst such a challenging environment, we are working toward a recovery in performance by focusing on expanding our core content—which serves as a pillar of recurring revenue—and acquiring new users. Specifically, "cloud karte"—an electronic medical record system for salons—is successfully increasing orders by capturing the demand for the digitization of records, and we are steadily making preparations to acquire new customers and expand recurring revenue for the coming fiscal year.

Furthermore, regarding the cloud-based system "Halca -connect"—sales of which began in March 2026—we introduced a new "AI-powered automated customer acquisition" feature on August 5, 2026, designed to significantly streamline salon customer acquisition and promotional activities. This feature is designed for salons struggling with labor shortages or the need to acquire repeat customers; it uses AI to automatically generate personalized messages and images tailored to each individual end-user. This enables a significant reduction in the time staff previously spent creating promotional materials. Furthermore, by seamlessly integrating with the CRM capabilities of "Halca -connect-" (utilizing data such as customer information and visit history), the system automates the optimal approach for target customers, simultaneously reducing staff workload, boosting productivity, and enabling continuous customer communication. Moving forward, we will prioritize driving the adoption of "Halca -connect-"—which leverages AI-driven automated customer acquisition as a key strength—alongside "cloud karte," which continues to see high demand.

We are also steadily preparing to roll out a "Beauty Salon Management Support Program" (a BPO service offering hands-on support for future planning) to existing clients through collaboration with our Business Services division, aiming to provide comprehensive support tailored to client needs in the coming fiscal year. Through this series of measures, we aim to steadily increase the proportion of our subscription-based business, accelerate structural reform toward a stable revenue base centered on recurring revenue, and achieve both a recovery in performance and medium- to long-term business growth.

As a result of the above, in the current third quarter consolidated cumulative period, sales were ¥1,085,392 thousand (down 4.9% year-on-year), and segment profit was ¥24,633 thousand (down 70.4% 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).

During the cumulative third quarter of the current fiscal year, in addition to core services such as monthly accounting and outsourced financial closing, we secured stable revenue from various consulting services—centered on areas like asset succession and support for formulating plans for cash flow improvement and capital investment—in our capacity as a certified support agency.

Furthermore, we will strive to expand our service area and enhance the services we offer by providing a beauty salon management support program that provides back-office operations based on assisting salons in developing business plans,

for users of our beauty ICT business.

As a result of the above, in the current third quarter consolidated cumulative period, sales were ¥256,531 thousand (up 2.6% year-on-year), and segment profit was ¥40,599 thousand (up 28.8% 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.

Our assisted living facilities have seen an increase in prospective residents (those on waiting lists) and a recovery in facility occupancy rates due to strengthened cooperation with local medical and care-related institutions, as well as the resumption of various events and facility tours. Furthermore, in our home care services, such as day services and short-stay services, we have maintained high occupancy rates without any major outbreaks at our facilities thanks to the development and implementation of infection control measures (BCP).

Furthermore, regarding costs, while there are concerns about shortages of petroleum-derived products such as hygiene products due to the situation in the Middle East, we are appropriately controlling costs such as soaring food prices and utility costs. At the same time, in order to maintain and expand high-quality care services, we are increasing personnel costs and recruitment expenses related to supplementing care staff, considering this as an investment in the future.

As a result of the above, in the current third quarter consolidated cumulative period, sales were ¥573,659 thousand (up 4.6% year-on-year), and segment profit was ¥53,921 thousand (up 122.7% year-on-year).

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

The company taking into account performance trends for the current period, we have revised the consolidated earnings forecast announced on December 12, 2025. For details, please refer to the "Notice Regarding Revision of Full-Year Earnings Forecast" announced today, September 11, 2026.

(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) to enhance opportunities to return profits to shareholders.

① Dividends for the fiscal year ending October 2026 (interim and final dividends)

Regarding dividends for the fiscal year ending October 2026, we are revising the annual dividend forecast announced on December 12, 2025 (originally 14 yen per share, comprising an interim dividend of 7 yen and a year-end dividend of 7 yen). We plan to increase the year-end dividend by 0.50 yen per share, resulting in a revised annual dividend forecast of 14.50 yen per share (comprising an interim dividend of 7 yen and a year-end dividend of 7.50 yen). For further details, please refer to the "Notice Regarding Revision to Year-End Dividend Forecast (Dividend Increase)" announced today, September 11, 2026.

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 July 31, 2026
Assets		
Current assets		
Cash and deposits	1,240,234	1,197,188
Accounts receivable - trade	259,270	247,956
Merchandise	56,731	38,736
Work in process	2,538	820
Other	57,311	77,445
Allowance for doubtful accounts	(139)	(229)
Total current assets	1,615,947	1,561,916
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,063,299	1,062,691
Accumulated depreciation	(459,795)	(478,604)
Buildings and structures, net	603,504	584,086
Land	288,935	288,935
Other	115,140	112,552
Accumulated depreciation	(96,458)	(97,399)
Other, net	18,682	15,152
Total property, plant and equipment	911,121	888,174
Intangible assets		
Software	128,297	170,639
Software in progress	65,031	4,519
Goodwill	7,409	-
Other	1,347	537
Total intangible assets	202,085	175,695
Investments and other assets		
Investment securities	69,750	68,820
Deferred tax assets	173,476	166,490
Other	78,978	98,318
Allowance for doubtful accounts	(15,481)	(15,284)
Total investments and other assets	306,723	318,344
Total non-current assets	1,419,930	1,382,215
Total assets	3,035,878	2,944,131

(Thousands of yen)

	As of October 31, 2025	As of July 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	67,840	46,987
Current portion of long-term borrowings	61,680	61,680
Accrued expenses	113,299	110,150
Income taxes payable	54,298	16,442
Provision for bonuses	79,980	36,353
Other	105,703	88,757
Total current liabilities	482,803	360,371
Non-current liabilities		
Long-term borrowings	55,160	8,900
Provision for retirement benefits for directors (and other officers)	16,685	16,685
Provision for share awards	45,049	52,120
Retirement benefit liability	346,959	367,124
Asset retirement obligations	36,761	37,022
Other	13,807	16,075
Total non-current liabilities	514,423	497,928
Total liabilities	997,226	858,299
Net assets		
Shareholders' equity		
Share capital	200,000	200,000
Capital surplus	247,048	250,935
Retained earnings	2,321,319	2,358,993
Treasury shares	(732,784)	(726,527)
Total shareholders' equity	2,035,583	2,083,401
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,068	2,429
Total accumulated other comprehensive income	3,068	2,429
Total net assets	2,038,651	2,085,831
Total liabilities and net assets	3,035,878	2,944,131

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

(Thousands of yen)

	For the nine months ended July 31, 2025	For the nine months ended July 31, 2026
Net sales	1,949,564	1,926,191
Cost of sales	1,173,415	1,176,540
Gross profit	776,149	749,651
Selling, general and administrative expenses	628,960	622,181
Operating profit	147,188	127,470
Non-operating income		
Interest income	536	1,719
Dividend income	6	10
Facility rental fee	1,317	1,439
Subsidy income	1,875	3,368
Other	876	1,795
Total non-operating income	4,613	8,333
Non-operating expenses		
Interest expenses	1,007	788
Commission expenses	2,000	-
Other	-	14
Total non-operating expenses	3,007	802
Ordinary profit	148,794	135,001
Extraordinary losses		
Loss on retirement of non-current assets	8,808	14
Total extraordinary losses	8,808	14
Profit before income taxes	139,985	134,986
Income taxes - current	40,775	42,890
Income taxes - deferred	5,218	7,278
Total income taxes	45,993	50,168
Profit	93,991	84,818
Profit attributable to owners of parent	93,991	84,818

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

(Thousands of yen)

	For the nine months ended July 31, 2025	For the nine months ended July 31, 2026
Profit	93,991	84,818
Other comprehensive income		
Valuation difference on available-for-sale securities	1,295	(638)
Total other comprehensive income	1,295	(638)
Comprehensive income	95,286	84,179
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	95,286	84,179