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June 12, 2026

Consolidated Financial Results for the Six Months Ended April 30, 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 file semi-annual securities report: June 12, 2026

Scheduled date to commence dividend payments: July 10, 2026

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 six months ended April 30, 2026 (from November 1, 2025, to April 30, 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	%
Six months ended April 30, 2026	1,321	1.4	99	6.5	104	10.7	66	12.2
April 30, 2025	1,303	(5.5)	93	(24.6)	94	(27.3)	58	(30.9)

Note: Comprehensive income For the six months ended April 30, 2026: ¥ 69 million [16.0%]
For the six months ended April 30, 2025: ¥ 59 million [(32.5)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
April 30, 2026	21.03	-
April 30, 2025	20.72	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
April 30, 2026	3,016	2,094	69.4
October 31, 2025	3,035	2,038	67.2

Reference: Equity

As of April 30, 2026: ¥ 2,094 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)			-	7.00	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	40.19

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 semi-annual 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 April 30, 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 April 30, 2026	2,089,129 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)

Six months ended April 30, 2026	3,139,659 shares
Six months ended April 30, 2025	2,840,163 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* 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. For the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof, please see "1. Consolidated Operating Results" of the attached material on page 3.

1 . Consolidated Operating Results.

(1) Overview of business results for the interim period

During the current interim consolidated fiscal period (from November 1, 2025 to April 30, 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 second quarter of the FY2026, we achieved net sales of ¥1,321,622 thousand (up 1.4% year-on-year), operating income of ¥99,163 thousand (up 6.5% year-on-year), ordinary income of ¥104,493 thousand (up 10.7% year-on-year), and profit attributable to owners of parent of ¥66,032 thousand (up 12.2% 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 strategically shifting from a revenue structure centered on traditional system sales to a recurring revenue model based on maintenance, web content, and paid cloud services.

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 are 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," we began selling "Halca-connect-" on March 1, 2026. "Halca-connect-" is a cloud-based system that can be easily implemented as a simple POS system and flexibly adapt to business expansion, providing integrated content from customer management to business operations. In particular, in addition to the automated customer acquisition function utilizing AI, we have implemented electronic medical record functions and consent form management functions through advanced integration with "cloud karte". This will enable us to properly manage records of haircuts and styles, as well as customer consent, allowing for a swift and appropriate response in the event of any incident. By increasing the proportion of these paid services, we will further accelerate structural reforms to create a stable revenue base.

Meanwhile, we have launched a beauty salon management support program, a joint project with our Business Services Division. This project provides comprehensive salon management support, integrating customer management and operational procedures, by combining the sales promotion support know-how accumulated by our beauty ICT business with the management support know-how of our business services business, in addition to providing back-office operations for salons (such as creating financial indicators, outsourcing accounting, labor management, and subsidy support). In particular, we will contribute to the realization of sustainable growth by providing a "partnership service" that is closely aligned with the future vision that salons aim for, and that consistently provides support from business plan formulation to the planning, implementation, and evaluation of measures. Going forward, we will expand the provision of these services to our existing customers to maximize customer value and drive further business growth.

As a result of the above, during this interim consolidated accounting period, sales were ¥770,613 thousand (up 2.4% year-on-year), and segment profit was ¥42,906 thousand (down 5.1% 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.

During this interim consolidated accounting period, in addition to core services such as monthly accounting and financial statement preparation, we also received a stable stream of orders for consulting services, primarily focused on asset succession. Furthermore, we are working to expand our real estate transaction services as part of asset succession and asset utilization, and to acquire new clients such as insurance agency contracts related to risk management.

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, during this interim consolidated accounting period, sales were ¥177,749 thousand (up 3.1% year-on-year), and segment profit was ¥32,630 thousand (up 24.3% 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 this interim consolidated accounting period, 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, 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, during this interim consolidated accounting period, sales were ¥366,187 thousand (down 1.4% year-on-year), and segment profit was ¥18,116 thousand (up 13.0% 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) 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.

Semi-annual Consolidated Financial Statements and Primary Notes
Semi-annual Consolidated Balance Sheet

(Thousands of yen)

	As of October 31, 2025	As of April 30, 2026
Assets		
Current assets		
Cash and deposits	1,240,234	1,240,506
Accounts receivable - trade	259,270	243,287
Merchandise	56,731	25,583
Work in process	2,538	1,355
Other	57,311	96,690
Allowance for doubtful accounts	(139)	(148)
Total current assets	1,615,947	1,607,274
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,063,299	1,062,537
Accumulated depreciation	(459,795)	(472,344)
Buildings and structures, net	603,504	590,192
Land	288,935	288,935
Other	115,140	113,390
Accumulated depreciation	(96,458)	(96,782)
Other, net	18,682	16,608
Total property, plant and equipment	911,121	895,736
Intangible assets		
Software	128,297	172,210
Software in progress	65,031	10,020
Goodwill	7,409	-
Other	1,347	807
Total intangible assets	202,085	183,038
Investments and other assets		
Investment securities	69,750	74,090
Deferred tax assets	173,476	172,947
Other	78,978	98,520
Allowance for doubtful accounts	(15,481)	(15,344)
Total investments and other assets	306,723	330,214
Total non-current assets	1,419,930	1,408,988
Total assets	3,035,878	3,016,263

(Thousands of yen)

	As of October 31, 2025	As of April 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	67,840	46,889
Current portion of long-term borrowings	61,680	61,680
Accrued expenses	113,299	108,385
Income taxes payable	54,298	45,130
Provision for bonuses	79,980	64,187
Other	105,703	92,897
Total current liabilities	482,803	419,170
Non-current liabilities		
Long-term borrowings	55,160	24,320
Provision for retirement benefits for directors (and other officers)	16,685	16,685
Provision for share awards	45,049	49,512
Retirement benefit liability	346,959	359,573
Asset retirement obligations	36,761	36,935
Other	13,807	15,845
Total non-current liabilities	514,423	502,871
Total liabilities	997,226	922,041
Net assets		
Shareholders' equity		
Share capital	200,000	200,000
Capital surplus	247,048	250,935
Retained earnings	2,321,319	2,363,834
Treasury shares	(732,784)	(726,596)
Total shareholders' equity	2,035,583	2,088,174
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,068	6,047
Total accumulated other comprehensive income	3,068	6,047
Total net assets	2,038,651	2,094,221
Total liabilities and net assets	3,035,878	3,016,263

Semi-annual Consolidated Statements of Income and Comprehensive Income
Semi-annual Consolidated Statement of Income

(Thousands of yen)

	For the six months ended April 30, 2025	For the six months ended April 30, 2026
Net sales	1,303,120	1,321,622
Cost of sales	787,765	800,919
Gross profit	515,354	520,703
Selling, general and administrative expenses	422,269	421,539
Operating profit	93,085	99,163
Non-operating income		
Interest income	536	1,442
Facility rental fee	869	966
Subsidy income	100	2,068
Other	479	1,413
Total non-operating income	1,986	5,890
Non-operating expenses		
Interest expenses	658	547
Other	-	14
Total non-operating expenses	658	561
Ordinary profit	94,412	104,493
Extraordinary losses		
Loss on retirement of non-current assets	8,808	14
Total extraordinary losses	8,808	14
Profit before income taxes	85,603	104,478
Income taxes - current	37,608	39,277
Income taxes - deferred	(10,842)	(831)
Total income taxes	26,766	38,445
Profit	58,837	66,032
Profit attributable to owners of parent	58,837	66,032

Semi-annual Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the six months ended April 30, 2025	For the six months ended April 30, 2026
Profit	58,837	66,032
Other comprehensive income		
Valuation difference on available-for-sale securities	656	2,978
Total other comprehensive income	656	2,978
Comprehensive income	59,494	69,011
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	59,494	69,011

Semi-annual Consolidated Statement of Cash Flows

(Thousands of yen)

	For the six months ended April 30, 2025	For the six months ended April 30, 2026
Cash flows from operating activities		
Profit before income taxes	85,603	104,478
Depreciation	68,145	66,360
Amortization of goodwill	7,409	7,409
Increase (decrease) in allowance for doubtful accounts	(96)	(127)
Interest and dividend income	(536)	(1,442)
Interest expenses	658	547
Loss on retirement of non-current assets	8,808	14
Increase (decrease) in retirement benefit liability	23,288	12,613
Increase (decrease) in provision for share awards	4,359	4,463
Increase (decrease) in provision for bonuses	(5,335)	(15,793)
Decrease (increase) in trade receivables	16,302	15,983
Decrease (increase) in inventories	(11,504)	32,289
Increase (decrease) in trade payables	6,087	(20,951)
Increase (decrease) in accrued expenses	(5,735)	(4,913)
Increase (decrease) in advances received	(6,340)	9
Other, net	(1,412)	(35,979)
Subtotal	189,703	164,962
Interest and dividends received	536	1,035
Interest paid	(668)	(551)
Income taxes refund	2,553	1,541
Income taxes paid	(17,731)	(47,815)
Net cash provided by (used in) operating activities	174,393	119,172
Cash flows from investing activities		
Payments into time deposits	-	(300,000)
Payments into long time deposits	-	(20,000)
Purchase of property, plant and equipment	(3,334)	(8,484)
Purchase of intangible assets	(42,271)	(33,226)
Payments for asset retirement obligations	-	(2,013)
Proceeds from refund of guarantee deposits	-	36
Other, net	108	120
Net cash provided by (used in) investing activities	(45,497)	(363,568)
Cash flows from financing activities		
Repayments of long-term borrowings	(30,840)	(30,840)
Repayments of lease liabilities	(577)	(577)
Purchase of treasury shares	-	(442)
Dividends paid	(21,377)	(23,473)
Net cash provided by (used in) financing activities	(52,794)	(55,332)
Net increase (decrease) in cash and cash equivalents	76,101	(299,728)
Cash and cash equivalents at beginning of period	1,258,499	1,240,234
Cash and cash equivalents at end of period	1,334,600	940,506