



## Consolidated Financial Results for the Six Months Ended September 30, 2024 [J-GAAP]

November 6, 2024

Company name: Cross Cat Co., Ltd.  
 Stock exchange listing: Tokyo  
 Code number: 2307  
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 Scheduled date of filing semi-annual securities report: November 12, 2024  
 Scheduled date of commencing dividend payments: -  
 Availability of supplementary briefing material on financial results: Yes  
 Schedule of financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Results for the Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

(1) Consolidated operating results (% indicates changes from the previous corresponding period.)

	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 September 30, 2024	8,040	12.3	865	29.2	898	26.7	583	23.2
Six months ended September 30, 2023	7,160	2.9	669	(16.7)	709	(14.3)	473	(10.0)

(Note) Comprehensive income Six months ended September 30, 2024: ¥ 628 million [ 9.5 %]  
 Six months ended September 30, 2023: ¥ 573 million [(47.5) %]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	41.18	—
September 30, 2023	32.36	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	8,109	5,114	63.1
March 31, 2024	9,466	5,083	53.7

(Reference) Equity: As of September 30, 2024: ¥ 5,114 million  
 As of March 31, 2024: ¥ 5,083 million

### 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
Fiscal year ended March 31, 2024	Yen	Yen	Yen	Yen	Yen
Fiscal year ending March 31, 2025	—	0.00	—	28.00	28.00
Fiscal year ending March 31, 2025 (Forecast)	—	0.00	—	28.00	28.00

(Note) Revision to the most recently announced dividend forecasts: No

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025

(April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	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	15,600	4.5	1,580	3.8	1,630	3.8	1,040	(20.7)	73.01

(Note) Revision to the most recently announced financial results forecast: No

#### \* Notes

(1) Significant changes in the scope of consolidation during the period: No

(2) Accounting policies adopted specially for the preparation of semi-annual consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatements

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatements: No

(4) Total number of shares issued (common shares)

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

September 30, 2024: 17,005,674 shares

March 31, 2024: 17,005,674 shares

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

September 30, 2024: 2,900,874 shares

March 31, 2024: 2,760,632 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2024: 14,160,057 shares

Six months ended September 30, 2023: 14,627,747 shares

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

\*Statement for proper use of business forecasts and other cautionary notes:

The forecasts and other forward-looking statements presented in this document are based on information presently available to the Company and certain assumptions that the Company considers reasonable, and are not intended to be a commitment of achievement by the Company. Actual results may differ materially due to changes in various factors.

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## 1. Overview of Operating Results, etc.

### (1) Overview of operating results for the period under review

Forward-looking statements in this document are based on judgments made by management as of the end of the second quarter of the fiscal year ending March 31, 2025 (hereinafter the “quarter under review”).

During the six months ended September 2024 (April 2024 to September 2024; the “period under review”), the Japanese economy continued to show a moderate recovery trend against the backdrop of an improved employment and income environment and rising inbound demand. On the other hand, the economic outlook remains uncertain due to factors such as soaring raw material and energy prices caused by the unstable international situation, and rising prices resulting from the weak yen.

In the information service industry, where Cross Cat Co., Ltd. (the “Company”) and its subsidiaries (collectively, the “Group”) operate, the promotion of Digital Transformation (DX) with cutting-edge technologies such as Cloud Computing, Artificial Intelligence (AI), Internet of Things (IoT), Big Data, and Robotic Process Automation (RPA) continues to gain momentum, and companies are expected to expand their appetite for IT investments to boost competitiveness.

Amid such a business environment, the Group has launched a new Medium-term Business Plan, “Growing Value 2026,” in April 2024 and is proactively engaged in various measures based on our basic policy of “improving our service quality by combining the quality, efficiency, expertise, and know-how, which are the elements of our value offering, while aiming to contribute to our customers’ success.”

Net sales for the period under review totaled ¥8,040 million (up 12.3% compared to the previous corresponding period; hereinafter “year-on-year”), which is an increase over the previous corresponding period. By industry sector, sales to financial services and to government agencies, municipalities, and public corporations were particularly strong, increasing by 17.8% and 47.1%, respectively, year-on-year. On the other hand, sales to the credit sector decreased 12.5% year-on-year.

On the profit front, while personnel expenses swelled mainly due to wage hikes and increased hiring of new graduates as part of efforts to secure and train human resources, revenues also increased significantly, resulting in an operating profit of ¥865 million (up 29.2% year-on-year), an ordinary profit of ¥898 million (up 26.7% year-on-year), and profit attributable to owners of parent of ¥583 million (up 23.2% year-on-year).

### (2) Overview of financial position for the period under review

Total assets at the end of the quarter under review decreased by ¥1,356 million to ¥8,109 million from ¥9,466 million at the end of the previous fiscal year. This was mainly due to a decrease in cash and deposits of ¥876 million as well as a decrease in accounts receivable - trade and contract assets of ¥466 million.

Liabilities decreased by ¥1,388 million to ¥2,994 million from ¥4,382 million at the end of the previous fiscal year. This was mainly due to a decrease in short-term borrowings of ¥1,015 million.

Net assets increased by ¥31 million to ¥5,114 million from ¥5,083 million at the end of the previous fiscal year. The main factors include an increase as a result of recording profit attributable to owners of parent of ¥583 million, an increase in valuation difference on available-for-sale securities of ¥44 million, a decrease from dividends paid of ¥398 million, and an increase in treasury shares of ¥212 million as a result of repurchases.

As a result, the equity ratio at the end of the quarter under review was 63.1%, up 9.4 percentage points from 53.7% at the end of the previous fiscal year.

#### (Status of cash flows)

Cash and cash equivalents at the end of the quarter under review totaled ¥1,462 million, down ¥876 million from the end of the previous fiscal year.

The status of each cash flow and their factors for the period under review are as follows.

#### (Cash flows from operating activities)

Cash flows from operating activities resulted in a net inflow of ¥789 million (a net inflow of ¥1,185 million was reported in the same period of the previous fiscal year). The inflow was mainly attributable to a profit before income taxes of ¥873 million and a decrease in trade receivables of ¥1,757 million. The outflow was mainly attributable to an increase in notes and accounts receivable - contract assets of ¥1,291 million and income taxes

paid of ¥375 million.

(Cash flows from investing activities)

Cash flows from investing activities resulted in a net outflow of ¥32 million (a net outflow of ¥151 million was reported in the same period of the previous fiscal year). The inflow was mainly attributable to proceeds from refund of leasehold and guarantee deposits of ¥48 million. The outflow was mainly attributable to purchase of property, plant and equipment of ¥20 million, purchase of intangible assets of ¥32 million, and payments of leasehold and guarantee deposits of ¥30 million.

(Cash flows from financing activities)

Cash flows from financing activities resulted in a net outflow of ¥1,634 million (a net outflow of ¥1,280 million was reported in the same period of the previous fiscal year). The outflow was mainly attributable to a net decrease in short-term borrowings of ¥1,015 million, dividends paid of ¥395 million, and purchase of treasury shares of ¥223 million.

(3) Explanation of consolidated financial results forecast and other forward-looking information

The consolidated financial results forecast currently remains unchanged from the consolidated financial results forecast for the full fiscal year as announced on May 15, 2024 in the consolidated financial results for the fiscal year ended March 31, 2024.

## 2. Semi-Annual Consolidated Financial Statements and Principal Notes

### (1) Semi-Annual Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	2,339,462	1,462,475
Accounts receivable - trade, and contract assets	4,467,414	4,001,073
Other	212,494	213,070
Allowance for doubtful accounts	(4,441)	(3,980)
Total current assets	7,014,931	5,672,638
Non-current assets		
Property, plant and equipment		
Buildings and structures	463,360	393,525
Accumulated depreciation	(201,099)	(141,703)
Buildings and structures, net	262,260	251,821
Tools, furniture and fixtures	337,148	336,146
Accumulated depreciation	(227,446)	(227,535)
Tools, furniture and fixtures, net	109,702	108,610
Leased assets	19,708	5,631
Accumulated depreciation	(12,670)	—
Leased assets, net	7,038	5,631
Land	30,877	147
Other	1,500	3,241
Accumulated depreciation	(1,499)	(1,499)
Other, net	0	1,741
Total property, plant and equipment	409,879	367,951
Intangible assets		
Goodwill	174,596	149,654
Other	170,698	153,762
Total intangible assets	345,295	303,417
Investments and other assets		
Investment securities	1,156,377	1,220,680
Other	539,535	544,367
Total investments and other assets	1,695,912	1,765,047
Total non-current assets	2,451,087	2,436,416
Total assets	9,466,019	8,109,055

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	608,058	594,908
Short-term borrowings	1,200,000	185,000
Income taxes payable	402,653	306,856
Provision for bonuses	356,212	336,608
Provision for loss on orders received	9,311	6,452
Other	879,727	602,892
<b>Total current liabilities</b>	<b>3,455,963</b>	<b>2,032,718</b>
Non-current liabilities		
Retirement benefit liability	595,618	606,689
Asset retirement obligations	197,672	198,432
Other	133,681	156,336
<b>Total non-current liabilities</b>	<b>926,972</b>	<b>961,458</b>
<b>Total liabilities</b>	<b>4,382,935</b>	<b>2,994,177</b>
Net assets		
Shareholders' equity		
Share capital	1,000,000	1,000,000
Capital surplus	14,490	29,078
Retained earnings	4,893,626	5,077,817
Treasury shares	(1,511,738)	(1,723,868)
<b>Total shareholders' equity</b>	<b>4,396,379</b>	<b>4,383,027</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	679,848	724,462
Remeasurements of defined benefit plans	6,855	7,388
<b>Total accumulated other comprehensive income</b>	<b>686,703</b>	<b>731,851</b>
<b>Total net assets</b>	<b>5,083,083</b>	<b>5,114,878</b>
<b>Total liabilities and net assets</b>	<b>9,466,019</b>	<b>8,109,055</b>

(2) Semi-Annual Consolidated Statements of Income and Comprehensive Income  
Semi-Annual Consolidated Statements of Income

(Thousands of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	7,160,014	8,040,718
Cost of sales	5,436,518	6,113,597
Gross profit	1,723,496	1,927,121
Selling, general and administrative expenses	1,053,723	1,061,698
Operating profit	669,773	865,423
Non-operating income		
Dividend income	15,826	22,713
Subsidy income	14,492	9,358
Other	10,186	3,101
Total non-operating income	40,504	35,173
Non-operating expenses		
Interest expenses	1,013	1,716
Commission expenses	192	165
Total non-operating expenses	1,205	1,881
Ordinary profit	709,072	898,715
Extraordinary income		
Insurance claim income	—	4,000
Total extraordinary income	—	4,000
Extraordinary losses		
Loss on sale of non-current assets	—	28,916
Loss on retirement of non-current assets	426	577
Total extraordinary losses	426	29,494
Profit before income taxes	708,646	873,221
Income taxes - current	220,356	281,378
Income taxes - deferred	14,953	8,790
Total income taxes	235,310	290,169
Profit	473,335	583,051
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	473,335	583,051



## Semi-Annual Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	473,335	583,051
Other comprehensive income		
Valuation difference on available-for-sale securities	99,866	44,613
Remeasurements of defined benefit plans, net of tax	615	533
Total other comprehensive income	100,481	45,147
Comprehensive income	573,817	628,199
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	573,817	628,199
Comprehensive income attributable to non-controlling interests	—	—

## (3) Semi-Annual Consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	708,646	873,221
Depreciation	71,934	73,264
Amortization of goodwill	24,942	24,942
Share-based payment expenses	11,743	12,909
Increase (decrease) in allowance for doubtful accounts	(674)	(461)
Increase (decrease) in provision for bonuses	(38,219)	(19,604)
Increase (decrease) in retirement benefit liability	2,449	11,841
Increase (decrease) in provision for loss on orders received	(1,620)	(2,859)
Interest and dividend income	(15,834)	(22,880)
Interest expenses	1,013	1,716
Loss (gain) on sale of property, plant and equipment	—	28,916
Loss on retirement of non-current assets	426	577
Decrease (increase) in notes and accounts receivable - contract assets	(691,232)	(1,291,545)
Decrease (increase) in trade receivables	1,356,546	1,757,887
Decrease (increase) in inventories	(289)	1,860
Increase (decrease) in trade payables	49,198	(13,150)
Other, net	(32,042)	(293,024)
Subtotal	1,446,987	1,143,611
Interest and dividends received	15,834	22,880
Interest paid	(1,012)	(1,414)
Income taxes paid	(276,222)	(375,483)
Net cash provided by (used in) operating activities	1,185,587	789,594
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(57,419)	(20,936)
Proceeds from sale of property, plant and equipment	—	2,772
Purchase of intangible assets	(24,187)	(32,443)
Payments of leasehold and guarantee deposits	(70,288)	(30,219)
Proceeds from refund of leasehold and guarantee deposits	333	48,646
Net cash provided by (used in) investing activities	(151,563)	(32,181)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(100,000)	(1,015,000)
Dividends paid	(555,993)	(395,503)
Purchase of treasury shares	(624,150)	(223,896)
Net cash provided by (used in) financing activities	(1,280,143)	(1,634,400)
Net increase (decrease) in cash and cash equivalents	(246,118)	(876,987)
Cash and cash equivalents at beginning of period	1,983,974	2,339,462
Cash and cash equivalents at end of period	1,737,856	1,462,475

#### (4) Notes to Semi-Annual Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

The Company repurchased 160,000 treasury shares in accordance with a resolution of the Board of Directors meeting held on June 19, 2024. In addition, the Company used 19,800 treasury shares as restricted stock compensation on August 15, 2024, in accordance with a resolution of the Board of Directors meeting held on July 24, 2024. As a result, capital surplus and treasury shares increased by ¥14,587 thousand and ¥212,130 thousand, respectively, during the six months ended September 30, 2024, resulting in a capital surplus of ¥29,078 thousand and treasury shares of ¥1,723,868 thousand at the end of the quarter under review.

(Changes in accounting policies)

The Group has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "2022 Revised Accounting Standard"), etc. from the beginning of the period under review.

With respect to the revisions to the classification of income taxes (taxation on other comprehensive income), the Company follows the transitional treatment stipulated in the proviso to paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment stipulated in the proviso to paragraph 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022, hereinafter referred to as the "2022 Revised Guidance"). This change in accounting policy has no effect on the semi-annual consolidated financial statements.

In addition, with respect to the revisions related to the treatment in consolidated financial statements of deferring, for tax purposes, gains or losses on sales of shares, etc. of subsidiaries between consolidated companies, the 2022 Revised Guidance has been applied from the beginning of the period under review. This change in accounting policy has been applied retrospectively, and the semi-annual consolidated financial statements and the consolidated financial statements for the previous fiscal year are those after retrospective application. This change in accounting policy has no effect on either the semi-annual consolidated financial statements or the consolidated financial statements for the previous fiscal year.