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Harmonize Heart and Technology

Consolidated Financial Results for the Three Months Ended June 30, 2026 [J-GAAP]

August 5, 2026

Company name: Cross Cat Co., Ltd.
Stock exchange listing: Tokyo
Code number: 2307
URL: https://www.xcat.co.jp
Representative: Mitsunori Yamane, President & CEO
Contact: Tomoki Yamashita, Director and Managing Executive Officer, Corporate Supervisory Department
Phone: +81-3-3474-5251
Scheduled date of commencing dividend payments: -
Availability of supplementary briefing material on financial results: None
Schedule of financial results briefing session: None

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

1. Consolidated Results for the Three Months Ended June 30, 2026 (April 1, 2026 to June 30, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	4,645	17.4	484	41.6	520	40.7	325	7.5
June 30, 2025	3,957	2.0	342	12.4	369	7.7	302	35.9

(Note) Comprehensive income Three months ended June 30, 2026: ¥ 323 million [(0.3) %]
Three months ended June 30, 2025: ¥ 324 million [25.8 %]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	23.25	—
June 30, 2025	21.55	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	9,463	6,460	68.3
March 31, 2026	10,846	6,656	61.4

(Reference) Equity: As of June 30, 2026: ¥ 6,460 million
As of March 31, 2026: ¥ 6,656 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	—	0.00	—	37.00	37.00
Fiscal year ending March 31, 2027	—				
Fiscal year ending March 31, 2027 (Forecast)		0.00	—	39.00	39.00

(Note) Revision to the most recently announced dividend forecasts: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(% 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
First half (cumulative)	8,800	7.0	938	6.5	946	3.5	640	(3.8)	45.73
Full year	17,900	3.4	2,150	6.8	2,190	7.2	1,540	1.9	110.03

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

* Notes

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

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements : None

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

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatements: None

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

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

June 30, 2026: 17,005,674 shares

March 31, 2026: 17,005,674 shares

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

June 30, 2026: 3,010,674 shares

March 31, 2026: 3,009,574 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2026: 13,995,000 shares

Three months ended June 30, 2025: 14,044,742 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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.

Contents

1. Qualitative Information on Quarterly Financial Results

(1) Explanation of operating results

During the three months ended June 2026 (April 2026 to June 2026; the "period under review"), the Japanese economy continued to show a moderate recovery trend against the backdrop of an improved employment and income environment. However, the economic outlook remains uncertain due to such factors as concerns over an economic downturn due to U.S. trade policy and geopolitical risks, chiefly the situation in the Middle East, and constantly rising prices.

In the information service industry, where Cross Cat Co., Ltd. (the "Company") and its subsidiaries (collectively, the "Group") operate, despite ongoing supply-side challenges, such as a shortage of IT personnel, IT investments, including the promotion of Digital Transformation (DX) using cutting-edge technologies such as Cloud Computing and generative AI, will continue to expand steadily in pursuit of solutions to social issues.

Amid such a business environment, the Group has set forth its corporate vision—"To be an independent information services provider that sustainably enhances corporate value and contributes to society"—as its medium- to long-term corporate policy. Guided by this vision, the Group has entered into the final year of its Medium-term Business Plan, "Growing Value 2026," launched in April 2024. Various initiatives under the five basic strategies, namely, to change its business model into one that can offer value; expand asset-based businesses; strengthen the customer base; enhance human resources and organizational capabilities; and leverage the strengths and attributes of each Group company, proved successful under the current Medium-term Business Plan. As a result, net sales and all line-item profits experienced record highs for the fifth consecutive year, while we are also achieving the financial targets and KPIs related to profitability set out in the plan in its second year. In the final year as well, we remain committed to implementing various initiatives under the five basic strategies and striving to enhance corporate value by further improving business performance.

As a result, net sales for the period under review totaled ¥4,645 million (up 17.4% compared to the previous corresponding period; hereinafter "year-on-year"), which is an increase over the previous corresponding period. The cost to sales ratio improved by 0.2 percentage points, as the Group successfully maintained a high operation rate supported by increased orders in its main businesses and improved productivity, resulting in gross profit of ¥1,139 million (up 18.5% year-on-year).

Performance by business area is as follows.

SI area

The System Integration (SI) area provides high-quality SI services in system design, development, operation, and maintenance across a wide range of industry sectors, including credit, financial services, government agencies, municipalities, public corporations, manufacturing, telecommunications, and distribution, by leveraging the technical expertise and know-how accumulated over many years. In the period under review, sales to the credit sector, our core business, increased 29.6% year-on-year driven by orders for large-scale prime projects, and sales to financial services increased 17.9% year-on-year, supported by strong performance in insurance agency system projects. Sales to public sports betting and sports promoting lotteries—where the Company has been providing services for many years—significantly rose 205.9% year-on-year driven by orders for large-scale projects. As a result, net sales in the area totaled ¥4,014 million (up 17.1% year-on-year), and gross profit was ¥1,041 million (up 24.8% year-on-year).

DX area

The Digital Transformation (DX) area supports various customers' DX initiatives, such as improving business efficiency and productivity. To this end, we provide services that leverage cutting-edge technologies such as Cloud Computing and generative AI, offer support services and build infrastructure for data utilization, which has long been one of our strengths, and deliver in-house developed systems. In the period under review, sales of cloud-related services remained strong amid robust demand for DX. In addition, orders particularly for infrastructure building for data utilization remained brisk, driven by increasing demand for data utilization. As a result, net sales in the area totaled ¥630 million (up 19.1% year-on-year). Gross profit was ¥97 million (down 22.9% year-on-year) due to upfront investments made to expand the cloud-related service business and the recording of additional temporary expenses for a specific project.

		Three months ended June 30, 2025	Three months ended June 30, 2026	Year-on-year change
SI area	Net sales (millions of yen)	3,428	4,014	17.1%
	Gross profit (millions of yen)	834	1,041	24.8%
DX area	Net sales (millions of yen)	529	630	19.1%
	Gross profit (millions of yen)	126	97	(22.9)%
Total	Net sales (millions of yen)	3,957	4,645	17.4%
	Gross profit (millions of yen)	961	1,139	18.5%

As for other profits, investments in human capital increased year-on-year as part of our efforts to secure and train human resources, including proactive wage hikes, costs associated with hiring of new graduates and mid-career personnel, and expansion of educational initiatives. However, the increase in human capital investments was more than offset by the increase in net sales, the improvement in the cost to sales ratio, and the effect of curbing selling, general and administrative expenses, resulting in an operating profit of ¥484 million (up 41.6% year-on-year) and an ordinary profit of ¥520 million (up 40.7% year-on-year). Profit attributable to owners of parent increased 7.5% year-on-year to ¥325 million, as strong operating performance more than offset a decline resulting from the absence of the gain on sale of investment securities recorded in the same period of the previous fiscal year.

(2) Explanation of financial position

Total assets at the end of the quarter under review decreased by ¥1,382 million to ¥9,463 million from ¥10,846 million at the end of the previous fiscal year. This was mainly due to a decrease in cash and deposits of ¥221 million and a decrease in accounts receivable - trade, and contract assets of ¥1,247 million.

Liabilities decreased by ¥1,187 million to ¥3,002 million from ¥4,190 million at the end of the previous fiscal year. This was mainly due to a decrease in short-term borrowings of ¥700 million, a decrease in income taxes payable of ¥241 million, and a decrease in provision for bonuses of ¥232 million.

Net assets decreased by ¥195 million to ¥6,460 million from ¥6,656 million at the end of the previous fiscal year. This was mainly due to a decrease from dividends of surplus of ¥517 million, which was partially offset by an increase in retained earnings of ¥325 million as a result of recording profit attributable to owners of parent.

As a result, the equity ratio at the end of the quarter under review was 68.3%, up 6.9 percentage points from 61.4% at the end of the previous fiscal year.

(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 both the six months ending September 2026 and the full fiscal year as announced on May 13, 2026 in the consolidated financial results for the fiscal year ended March 31, 2026.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	3,304,336	3,083,189
Accounts receivable - trade, and contract assets	4,823,980	3,576,347
Other	188,431	230,034
Allowance for doubtful accounts	(4,804)	(3,556)
Total current assets	8,311,943	6,886,014
Non-current assets		
Property, plant and equipment		
Buildings and structures	407,620	409,933
Accumulated depreciation	(172,616)	(177,935)
Buildings and structures, net	235,004	231,997
Tools, furniture and fixtures	350,192	362,356
Accumulated depreciation	(244,429)	(251,211)
Tools, furniture and fixtures, net	105,762	111,144
Leased assets	19,708	19,708
Accumulated depreciation	(18,301)	(19,005)
Leased assets, net	1,407	703
Land	147	147
Other	1,500	1,500
Accumulated depreciation	(1,499)	(1,499)
Other, net	0	0
Total property, plant and equipment	342,321	343,993
Intangible assets		
Goodwill	74,827	62,355
Other	72,653	62,807
Total intangible assets	147,480	125,163
Investments and other assets		
Investment securities	1,547,500	1,547,155
Other	496,897	561,302
Total investments and other assets	2,044,397	2,108,458
Total non-current assets	2,534,200	2,577,615
Total assets	10,846,144	9,463,629

(Thousands of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	754,934	774,417
Short-term borrowings	700,000	—
Income taxes payable	405,255	163,986
Provision for bonuses	443,406	211,158
Provision for loss on orders received	11,962	34,650
Other	1,091,145	968,837
Total current liabilities	3,406,704	2,153,050
Non-current liabilities		
Retirement benefit liability	560,517	551,891
Asset retirement obligations	200,516	202,162
Other	22,264	95,755
Total non-current liabilities	783,298	849,809
Total liabilities	4,190,002	3,002,859
Net assets		
Shareholders' equity		
Share capital	1,000,000	1,000,000
Capital surplus	38,727	38,296
Retained earnings	6,857,229	6,664,742
Treasury shares	(1,847,135)	(1,847,810)
Total shareholders' equity	6,048,821	5,855,227
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	565,235	564,999
Remeasurements of defined benefit plans	42,084	40,542
Total accumulated other comprehensive income	607,320	605,541
Total net assets	6,656,141	6,460,769
Total liabilities and net assets	10,846,144	9,463,629

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Three months ended June 30

(Thousands of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Net sales	3,957,069	4,645,240
Cost of sales	2,996,037	3,505,986
Gross profit	961,032	1,139,253
Selling, general and administrative expenses	618,590	654,518
Operating profit	342,442	484,734
Non-operating income		
Dividend income	26,092	35,252
Subsidy income	1,016	565
Other	3,620	732
Total non-operating income	30,728	36,551
Non-operating expenses		
Interest expenses	3,358	1,222
Commission expenses	165	—
Total non-operating expenses	3,523	1,222
Ordinary profit	369,647	520,063
Extraordinary income		
Gain on sale of investment securities	81,108	—
Total extraordinary income	81,108	—
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	0
Profit before income taxes	450,756	520,063
Income taxes - current	71,030	164,117
Income taxes - deferred	77,059	30,576
Total income taxes	148,090	194,694
Profit	302,665	325,368
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	302,665	325,368

Quarterly Consolidated Statements of Comprehensive Income

Three months ended June 30

(Thousands of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Profit	302,665	325,368
Other comprehensive income		
Valuation difference on available-for-sale securities	20,787	(236)
Remeasurements of defined benefit plans, net of tax	1,013	(1,542)
Total other comprehensive income	21,800	(1,778)
Comprehensive income	324,466	323,590
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	324,466	323,590
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on segment information, etc.)

For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

This information is omitted as the Group operates in the single segment of information service business and its associated businesses.

For the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

This information is omitted as the Group operates in the single segment of information service business and its associated businesses.

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

Not applicable.

(Notes on going concern assumption)

Not applicable.

(Notes on statements of cash flows)

No quarterly consolidated statements of cash flows have been prepared for the three months ended June 30, 2026. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the three months ended June 30, 2026 are as follows.

	For three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)	For three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)
Depreciation	35,039 thousand yen	25,808 thousand yen
Amortization of goodwill	12,471 thousand yen	12,471 thousand yen

(Significant subsequent events)

(Disposal of treasury shares as restricted stock compensation)

By a resolution of the Board of Directors meeting held on July 23, 2026, the Company resolved to dispose of treasury shares as restricted stock compensation as follows.

1. Overview of the disposal

(1) Payment due date	August 14, 2026
(2) Class and number of shares to be disposed	21,900 common shares of the Company
(3) Disposal value	¥1,002 per share
(4) Total disposal value	¥21,943,800
(5) Planned disposal allottees	Five Directors of the Company (*):14,400 shares Five Directors of the Company's subsidiaries: 7,500 shares *Excluding Directors who are Audit & Supervisory Committee Members and Outside Directors

2. Objectives of and reasons for disposal

The purpose of the disposal is for Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) to share the benefits and risks of share price fluctuations with the Company's shareholders, thereby increasing their motivation to contribute more than before to raising the Company's share price and enhancing the Company's corporate value.