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Harmonize Heart and Technology

FASF MEMBERSHIP

Consolidated Financial Results for the Six Months Ended September 30, 2026 [J-GAAP]

November 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
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Scheduled date of filing semi-annual securities report: November 12, 2026
Scheduled date of commencing dividend payments: -
Availability of supplementary briefing material on financial results: Yes
Schedule of financial results briefing session: None

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

1. Consolidated Results for the Six Months Ended September 30, 2026 (April 1, 2026 to September 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	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	9,335	13.5	1,088	23.6	1,122	22.8	726	9.2
September 30, 2025	8,223	2.3	881	1.8	914	1.7	665	14.1

(Note) Comprehensive income Six months ended September 30, 2026: ¥ 848 million [15.2 %]
Six months ended September 30, 2025: ¥ 736 million [17.3 %]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	51.87	—
September 30, 2025	47.47	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	10,129	7,007	69.2
March 31, 2026	10,846	6,656	61.4

(Reference) Equity: As of September 30, 2026: ¥ 7,007 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	—	0.00			
Fiscal year ending March 31, 2027 (Forecast)			—	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
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 semi-annual 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):

September 30, 2026: 17,005,674 shares

March 31, 2026: 17,005,674 shares

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

September 30, 2026: 2,988,774 shares

March 31, 2026: 3,009,574 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2026: 14,001,105 shares

Six months ended September 30, 2025: 14,014,239 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, 2027 (hereinafter the "quarter under review").

During the six months ended September 2026 (April 2026 to September 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 on account of the impact on personal consumption associated with prolonged rising prices, escalating geopolitical risks surrounding the situation in the Middle East, unstable exchange rates, and other factors.

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 ¥9,335 million (up 13.5% compared to the previous corresponding period; hereinafter "year-on-year"), which is an increase over the previous corresponding period. The cost -to-sales ratio remained at the same level as the previous corresponding period, as the Group successfully continued to maintain a high operation rate owing to increased orders in its main businesses, resulting in gross profit of ¥2,220 million (up 13.2% 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 55.8% year-on-year driven by orders for large-scale prime projects, and sales to financial services increased 8.6% 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 110.3% year-on-year driven by orders for large-scale projects. As a result, net sales in the area totaled ¥8,110 million (up 14.7% year-on-year), and gross profit was ¥1,968 million (up 15.5% 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 for infrastructure building for data utilization, etc., remained brisk, driven by increasing demand for data utilization. As a result, net sales in the area totaled ¥1,225 million (up 6.4% year-on-year). Gross profit was ¥252 million (down 1.5% 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.

		Six months ended September 30, 2025	Six months ended September 30, 2026	Year-on-year change
SI area	Net sales (millions of yen)	7,072	8,110	14.7%
	Gross profit (millions of yen)	1,704	1,968	15.5%
DX area	Net sales (millions of yen)	1,151	1,225	6.4%
	Gross profit (millions of yen)	255	252	(1.5%)
Total	Net sales (millions of yen)	8,223	9,335	13.5%
	Gross profit (millions of yen)	1,960	2,220	13.2%

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 and the effect of curbing selling, general and administrative expenses, resulting in an operating profit of ¥1,088 million (up 23.6% year-on-year) and an ordinary profit of ¥1,122 million (up 22.8% year-on-year). Profit attributable to owners of parent increased 9.2% year-on-year to ¥726 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) Overview of financial position for the period under review

Total assets at the end of the quarter under review decreased by ¥717 million to ¥10,129 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 ¥752 million and a decrease in accounts receivable - trade, and contract assets of ¥253 million, despite an increase in investment securities of ¥172 million.

Liabilities decreased by ¥1,068 million to ¥3,121 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, and a decrease in provision for bonuses of ¥126 million.

Net assets increased by ¥351 million to ¥7,007 million from ¥6,656 million at the end of the previous fiscal year. Main factors include an increase as a result of recording profit attributable to owners of parent of ¥726 million, an increase in valuation difference on available-for-sale securities of ¥125 million, and a decrease from dividends of surplus of ¥517 million.

As a result, the equity ratio at the end of the quarter under review was 69.2%, up 7.8 percentage points from 61.4% 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 ¥2,551 million, down ¥752 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 ¥664 million (a net inflow of ¥1,953 million was reported in the same period of the previous fiscal year). The inflow was mainly attributable to a profit before income taxes of ¥1,122 million and a decrease in trade receivables of ¥1,989 million. The outflow was mainly attributable to an increase in notes and accounts receivable - contract assets of ¥1,735 million and income taxes paid of ¥388 million.

(Cash Flows from Investing Activities)

Cash flows from investing activities resulted in a net outflow of ¥204 million (a net inflow of ¥67 million was reported in the same period of the previous fiscal year). The outflow was mainly attributable to purchase of property, plant and equipment of ¥27 million, purchase of investment securities of ¥121 million, purchase of intangible assets of ¥7 million, and payments of leasehold and guarantee deposits of ¥50 million.

(Cash Flows from Financing Activities)

Cash flows from financing activities resulted in a net outflow of ¥1,212 million (a net outflow of ¥1,798 million was reported in the same period of the previous fiscal year). The outflow was mainly attributable to net decrease in short-term borrowings of ¥700 million and dividends paid of ¥512 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 13, 2026 in the consolidated financial results for the fiscal year ended March 31, 2026.

2. Semi-Annual Consolidated Financial Statements and Principal Notes

(1) Semi-Annual Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	3,304,336	2,551,954
Accounts receivable - trade, and contract assets	4,823,980	4,570,125
Other	188,431	253,051
Allowance for doubtful accounts	(4,804)	(4,542)
Total current assets	8,311,943	7,370,588
Non-current assets		
Property, plant and equipment		
Buildings and structures	407,620	409,933
Accumulated depreciation	(172,616)	(183,261)
Buildings and structures, net	235,004	226,671
Tools, furniture and fixtures	350,192	371,395
Accumulated depreciation	(244,429)	(261,547)
Tools, furniture and fixtures, net	105,762	109,848
Leased assets	19,708	—
Accumulated depreciation	(18,301)	—
Leased assets, net	1,407	—
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	336,667
Intangible assets		
Goodwill	74,827	49,884
Other	72,653	55,448
Total intangible assets	147,480	105,333
Investments and other assets		
Investment securities	1,547,500	1,719,755
Other	496,897	596,673
Total investments and other assets	2,044,397	2,316,428
Total non-current assets	2,534,200	2,758,429
Total assets	10,846,144	10,129,017

(Thousands of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	754,934	740,440
Short-term borrowings	700,000	—
Income taxes payable	405,255	430,139
Provision for bonuses	443,406	317,132
Provision for loss on orders received	11,962	15,598
Other	1,091,145	752,529
Total current liabilities	3,406,704	2,255,839
Non-current liabilities		
Retirement benefit liability	560,517	554,081
Asset retirement obligations	200,516	202,523
Other	22,264	108,716
Total non-current liabilities	783,298	865,321
Total liabilities	4,190,002	3,121,161
Net assets		
Shareholders' equity		
Share capital	1,000,000	1,000,000
Capital surplus	38,727	46,798
Retained earnings	6,857,229	7,065,594
Treasury shares	(1,847,135)	(1,834,369)
Total shareholders' equity	6,048,821	6,278,023
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	565,235	690,833
Remeasurements of defined benefit plans	42,084	38,999
Total accumulated other comprehensive income	607,320	729,832
Total net assets	6,656,141	7,007,856
Total liabilities and net assets	10,846,144	10,129,017

(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, 2025	For the six months ended September 30, 2026
Net sales	8,223,798	9,335,830
Cost of sales	6,263,087	7,115,326
Gross profit	1,960,710	2,220,503
Selling, general and administrative expenses	1,079,710	1,131,756
Operating profit	881,000	1,088,747
Non-operating income		
Dividend income	26,092	35,252
Subsidy income	2,567	565
Other	8,173	6,861
Total non-operating income	36,832	42,679
Non-operating expenses		
Interest expenses	3,412	1,222
Commission expenses	255	90
Loss on valuation of investments in capital	—	7,652
Total non-operating expenses	3,668	8,965
Ordinary profit	914,164	1,122,461
Extraordinary income		
Gain on sale of investment securities	81,108	—
Total extraordinary income	81,108	—
Extraordinary losses		
Loss on retirement of non-current assets	3,660	0
Total extraordinary losses	3,660	0
Profit before income taxes	991,612	1,122,461
Income taxes - current	313,281	412,291
Income taxes - deferred	13,077	(16,050)
Total income taxes	326,358	396,240
Profit	665,253	726,221
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	665,253	726,221

Semi-Annual Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Profit	665,253	726,221
Other comprehensive income		
Valuation difference on available-for-sale securities	69,447	125,597
Remeasurements of defined benefit plans, net of tax	2,026	(3,085)
Total other comprehensive income	71,474	122,512
Comprehensive income	736,727	848,733
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	736,727	848,733
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, 2025	For the six months ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	991,612	1,122,461
Depreciation	65,794	51,256
Amortization of goodwill	24,942	24,942
Share-based payment expenses	12,775	10,968
Increase (decrease) in allowance for doubtful accounts	(1,586)	(261)
Increase (decrease) in provision for bonuses	(84,247)	(126,274)
Increase (decrease) in retirement benefit liability	937	(10,940)
Increase (decrease) in provision for loss on orders received	11,714	3,636
Interest and dividend income	(28,666)	(39,206)
Interest expenses	3,412	1,222
Loss on retirement of non-current assets	3,660	0
Decrease (increase) in notes and accounts receivable - contract assets	(835,181)	(1,735,460)
Decrease (increase) in trade receivables	2,423,300	1,989,315
Decrease (increase) in inventories	(56)	(3,002)
Increase (decrease) in trade payables	55,849	(14,494)
Loss (gain) on sale of investment securities	(81,108)	—
Loss (gain) on valuation of investment securities	—	7,652
Other, net	(329,109)	(267,047)
Subtotal	2,234,042	1,014,768
Interest and dividends received	28,666	39,206
Interest paid	(2,802)	(1,125)
Income taxes paid	(306,161)	(388,270)
Net cash provided by (used in) operating activities	1,953,745	664,579
Cash flows from investing activities		
Purchase of property, plant and equipment	(18,986)	(27,960)
Purchase of investment securities	—	(121,500)
Proceeds from sale of investment securities	100,000	—
Purchase of intangible assets	(13,216)	(7,091)
Payments of leasehold and guarantee deposits	—	(50,206)
Proceeds from refund of leasehold and guarantee deposits	20	2,686
Net cash provided by (used in) investing activities	67,816	(204,072)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,200,000)	(700,000)
Dividends paid	(460,324)	(512,888)
Purchase of treasury shares	(138,365)	—
Net cash provided by (used in) financing activities	(1,798,689)	(1,212,888)
Net increase (decrease) in cash and cash equivalents	222,872	(752,381)
Cash and cash equivalents at beginning of period	2,683,140	3,304,336
Cash and cash equivalents at end of period	2,906,012	2,551,954

(4) Notes to Semi-Annual Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

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

Not applicable.