Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Harmonize Heart and Technology

FASF MEMBERSHIP

November 19, 2026

Company name: Cross Cat Co., Ltd.
Representative: Mitsunori Yamane, President & CEO
(Securities code: 2307, TSE Prime Market)
Contact: Tomoki Yamashita
Director and Managing Executive Officer,
Corporate Dept.
+81-3-3474-5251

Notice Regarding Conclusion of Memorandum of Understanding on Absorption-Type Merger (Simplified Merger and Short-Form Merger) of Wholly Owned Subsidiary

Cross Cat Co., Ltd. (the "Company") hereby announces that the Board of Directors of the Company resolved at the meeting held today to conclude a memorandum of understanding with Cross Active Co., Ltd. (hereinafter, "Cross Active"), a wholly owned subsidiary of the Company, regarding an absorption-type merger in which the Company will be the surviving company and Cross Active will be the disappearing company (hereinafter, the "Merger"). Details are as provided below.

The memorandum does not constitute a definitive agreement on the Merger. The execution of the absorption-type merger agreement will be submitted for deliberation and resolution at a meeting of the Board of Directors scheduled to be held on January 26, 2027. As the Merger is an absorption-type merger with a wholly owned subsidiary of the Company, certain disclosure items and details have been omitted.

1. Purpose of the Merger

The Company and Cross Active have been working on the integration of the two companies' operations in the Tokyo metropolitan area business, including the sharing of engineers and project personnel between the two and the standardization of administrative functions and business processes.

While these efforts have produced results, including a reduction in lost business opportunities caused by shortages of human resources and improvements in the skills of Cross Active employees, challenges remain in personnel allocation and administrative operations due to the fact that the two companies are separate legal entities.

Accordingly, the Company is advancing its consideration of the Merger to a concrete stage, with the aim of consolidating the management resources of both companies into a single legal entity, thereby enabling the integrated operation of sales, technical, and customer-support resources in the Tokyo metropolitan area business, flexible personnel allocation, cross-leveraging of customer bases, technologies, expertise, and human resources, and faster decision-making.

2. Overview of the Merger

(1) Timetable

Item	Date
Board of Directors meeting approving conclusion of the memorandum of understanding	November 19, 2026
Date of conclusion of the memorandum of understanding	November 19, 2026
Board of Directors meeting approving the absorption-type merger agreement	January 26, 2027 (scheduled)
Date of execution of the absorption-type merger agreement	January 26, 2027 (scheduled)
Effective date of the Merger	April 1, 2027 (scheduled)

Note: The timetable above is subject to change due to statutory procedures, consultations with relevant authorities, or other circumstances.

Note: The Merger shall constitute a simplified merger for the Company pursuant to Article 796, Paragraph (2) of the Companies Act, provided that the requirements set forth therein are satisfied, and a short-form merger for Cross Active pursuant to Article 784, Paragraph (1) of the same Act. Accordingly, neither company will hold a general meeting of shareholders to approve the merger agreement.

(2) Method of the Merger

The Merger is scheduled to be an absorption-type merger, with the Company as the surviving company and Cross Active as the disappearing company.

(3) Details of allotment related to the Merger

As Cross Active is a wholly owned subsidiary of the Company, no shares, cash, or other assets will be delivered in connection with the Merger. The Merger is not expected to result in any increase in the Company's share capital or capital reserves.

(4) Handling of share acquisition rights and bonds with share acquisition rights in connection with the Merger

Not applicable.

3. Overview of companies involved in the Merger

Item	Company surviving the absorption-type merger		Company disappearing in the absorption-type merger	
(1) Name	Cross Cat Co., Ltd.		Cross Active Co., Ltd.	
(2) Location	20F Shinagawa Season Terrace, 1-2-70 Konan, Minato-ku, Tokyo		5F Niban-cho Cashew Building, 4-3 Niban-cho, Chiyoda-ku, Tokyo	
(3) Name and job title of representative	Mitsunori Yamane, President & CEO		Tomomi Kura, President & CEO	
(4) Description of business	System solutions (system development services and BI business) and staffing services		Information processing services and contracted development of related systems; development, provision of technology, and sales relating to information processing	
(5) Share capital	1,000,000 thousand yen		36,400 thousand yen	
(6) Date of establishment	June 1973		November 1989	
(7) Total number of outstanding shares	17,005,674 common shares		11,800 common shares	
(8) End of fiscal year	March 31		March 31	
(9) Major shareholders and ownership ratios (as of September 30, 2026)	Cross Cat Employee Shareholding Association	6.02%	Cross Cat Co., Ltd.	100%
	The Master Trust Bank of Japan, Ltd. (trust account)	5.36%		
	Takako Ono	4.11%		
	Junko Sato	3.78%		
	Yutaka Ushijima	3.56%		

(10) Operating results and financial position for the most recent fiscal year

Item	Cross Cat Co., Ltd. (consolidated)	Cross Active Co., Ltd. (non-consolidated)
End of fiscal year	March 31, 2026	March 31, 2026
Net assets	6,656 million yen	206 million yen
Total assets	10,846 million yen	521 million yen
Net assets per share	475.57 yen	17,501.27 yen
Net sales	17,314 million yen	1,395 million yen
Operating profit	2,014 million yen	120 million yen
Ordinary profit	2,043 million yen	133 million yen
Profit attributable to owners of parent (profit)	1,511 million yen	86 million yen
Basic earnings per share	107.90 yen	7,325.57 yen

4. Status after the Merger

There will be no changes to the Company's name, location, name and job title of representative, description of business, share capital, and end of fiscal year as a result of the Merger.

5. Outlook

As the Merger will be conducted with a wholly owned subsidiary of the Company, its impact on the Company's consolidated financial results is expected to be minimal. Should any matters requiring disclosure arise in the future, we will promptly announce them