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## Consolidated Financial Results For the Six Months Ended September 30, 2024 [Japanese GAAP]

November 14, 2024

Company name: Kudan Inc.  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 4425  
 URL: <https://www.kudan.io/jp/>  
 Representative: Daiu Ko, Managing Director, Chief Executive Officer  
 Contact: Kohei Nakayama, Director, Chief Financial Officer  
 Phone: +81-3-4405-1325  
 Scheduled date of filing quarterly securities report: November 14, 2024  
 Scheduled date of commencing dividend payments: None  
 Availability of supplementary briefing material on quarterly financial results: Available  
 Holding of quarterly financial results briefing session: Available

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

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

#### (1) Consolidated Operating Results (Cumulative)

(Percentage changes are in comparison with the same period of the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended								
September 30, 2024	148	101.6	(437)	—	(519)	—	(553)	—
September 30, 2023	73	(52.6)	(395)	—	(111)	—	(117)	—

(Note) Comprehensive income: Six months ended September 30, 2024 (482 million yen) (—%)  
 Six months ended September 30, 2023 (385 million yen) (—%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
September 30, 2024	(51.60)	—
September 30, 2023	(13.55)	—

(Note) Diluted earnings per share was negative and therefore is not indicated.

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2024	3,794	3,463	92.3
As of March 31, 2024	2,378	2,090	87.9

(Reference) Equity: As of September 30, 2024: ¥3,461 million  
 As of March 31, 2024: ¥2,090 million

## 2. Dividends

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

(Note) Changes in dividend forecast subsequent to most recent announcement: None

## 3. Earnings Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(Percentage changes are in comparison with the same period of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	700	42.6	(430)	—	—	—	—	—	—

(Note) Changes in earnings forecast subsequent to most recent announcement: None

### Notes:

- (1) Important changes in subsidiaries during the quarterly consolidated fiscal period (cumulative): None  
 (Change in scope of consolidation of specified subsidiaries)  
 New companies: — (company name)  
 Excluded companies: — (company name)
- (2) Application of special accounting treatment in preparing the quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and retrospective restatements
- 1) Changes in accounting policies due to revisions of accounting standards, etc.: Yes
  - 2) Changes in accounting policies other than the above: None
  - 3) Changes in accounting estimates: None
  - 4) Retrospective restatements: None
- (4) Number of issued shares (common shares)
- 1) Number of issued shares at the end of the period (including treasury shares):
    - As of September 30, 2024: 11,279,567 shares
    - As of March 31, 2024: 10,288,867 shares
  - 2) Number of treasury shares at the end of the period:
    - As of September 30, 2024: 542 shares
    - As of March 31, 2024: 497 shares
  - 3) Average number of shares outstanding during the period (cumulative):
    - As of September 30, 2024: 10,529,864 shares
    - As of September 30, 2023: 8,663,278 shares

## Consolidated Financial Statements and Relevant Notes

### (1) Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	1,719,733	3,094,427
Accounts receivable – trade and contract assets	123,432	88,465
Operational investment securities	32,964	32,964
Inventories	12,522	38,528
Short-term loans receivable	7,347	7,178
Income taxes receivable	1	—
Consumption taxes receivable	3,307	—
Other	57,965	67,421
Allowance for doubtful accounts	(3,673)	(7,902)
Total current assets	1,953,600	3,321,083
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings, net	0	0
Tools, furniture and fixtures, net	0	0
Vehicles, net	0	0
Total property, plant and equipment	0	0
Investments and other assets		
Investment securities	400,000	400,000
Guarantee deposits	24,807	28,103
Other	7	7
Total investments and other assets	424,815	428,111
Total non-current assets	424,815	428,111
Total assets	2,378,416	3,794,194
<b>Liabilities</b>		
Current liabilities		
Accounts payable–other	24,572	25,507
Short-term borrowings	200,000	200,000
Income taxes payable	11,531	11,630
Contract liabilities	10,090	11,800
Deposits received	7,464	6,252
Other	27,228	24,273
Total current liabilities	280,887	279,464
Non-Current liabilities		
Deferred tax liabilities	6,716	6,716
Total non-current liabilities	6,716	6,716
Total liabilities	287,603	286,180
<b>Net assets</b>		
Shareholders' equity		
Share capital	740,148	10,113
Capital surplus	1,776,028	3,923,998
Retained earnings	160,307	42,756
Treasury shares	(1,704)	(1,812)
Total shareholders' equity	2,674,779	3,975,055
Accumulated other comprehensive income		

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Foreign currency translation adjustment	(597,945)	(527,262)
Valuation difference on available-for-sale securities	13,284	13,284
Total accumulated other comprehensive income	(584,661)	(513,978)
Subscription rights to shares	695	1,937
Total net assets	2,090,813	3,463,014
Total liabilities and net assets	2,378,416	3,794,194

## (2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

## Consolidated Statement of Income

(Thousands of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	73,520	148,188
Cost of sales	18,252	31,623
Gross profit (loss)	55,268	116,565
Selling, general and administrative expenses	451,193	554,188
Operating loss	(395,925)	(437,622)
Non-operating income		
Interest income	6	209
Foreign exchange gains	286,605	—
Other	169	106
Total non-operating income	286,781	315
Non-operating expenses		
Foreign exchange losses	—	78,901
Interest expenses	1,663	2,050
Share issuance costs	291	1,166
Other	87	482
Total non-operating expenses	2,042	82,600
Ordinary loss	(111,186)	(519,907)
Extraordinary loss		
Impairment losses	6,009	33,559
Extraordinary loss	6,009	33,559
Loss before income taxes	(117,195)	(553,466)
Income taxes	155	205
Total income taxes	155	205
Loss	(117,351)	(553,672)
Loss attributable to owners of parent	(117,351)	(553,672)

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit (loss)	(117,351)	(553,672)
Other comprehensive income		
Foreign currency translation adjustment	(267,824)	70,682
Total other comprehensive income	(267,824)	70,682
Comprehensive income	(385,175)	(482,989)
(Breakdown)		
Comprehensive income attributable to owners of parent	(385,175)	(482,989)
Comprehensive income attributable to non-controlling interests	—	—

## (3) Consolidated Statement 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>		
Loss before income taxes	(117,195)	(553,466)
Increase (decrease) in allowance for doubtful accounts	—	4,278
Foreign exchange losses(gains)	(286,672)	77,432
Interest income	(6)	(209)
Interest expenses	1,663	2,050
Share issuance cost	291	1,166
Share-based payment expenses	4,287	3,095
Impairment losses	6,009	33,559
Decrease (increase) in accounts receivable - trade, and contract assets	7,420	23,809
Decrease (increase) in inventories	(7,097)	(25,981)
Increase (decrease) in trade payables	(183)	—
Other	5,620	2,127
Subtotal	(385,863)	(432,138)
Interest received	6	209
Interest paid	(1,663)	(2,050)
Subsidy income received	6,759	—
Income taxes paid	(956)	(31)
Income taxes refund	17,504	1
Cash flows from operating activities	(364,216)	(434,008)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(6,009)	(33,559)
Payments of guarantee deposits	(8,244)	(4,368)
Proceeds from refund of guarantee deposits	1,107	—
Cash flows from investing activities	(13,146)	(37,927)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	306,532	1,845,267
Purchase of treasury shares	—	(108)
Proceeds from issuance of share acquisition rights	—	5,770
Cash flows from financing activities	306,532	1,850,928
Effect of exchange rate change on cash and cash equivalents	23,982	(4,298)
Net increase (decrease) in cash and cash equivalents	(46,846)	1,374,693
Cash and cash equivalents at beginning of period	852,076	1,719,733
Cash and cash equivalents at end of period	805,229	3,094,427