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Consolidated Financial Results For the Fiscal Year Ended March 31, 2025 [Japanese GAAP]

May 15, 2025

Company name: Kudan Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 4425
 URL: <http://www.kudan.io/jp/>
 Representative: Daiu Ko, Managing Director, Chief Executive Officer
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 Scheduled date of filing securities report: June 27, 2025
 Scheduled date of commencing dividend payments: None
 Availability of supplementary briefing material on financial results: Available
 Holding of financial results briefing session: Available

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

1. Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(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	%
Fiscal year ended March 31, 2025	517	5.4	(800)	—	(743)	—	(801)	—
March 31, 2024	490	47.5	(527)	—	(50)	—	(69)	—

(Note) Comprehensive income: Fiscal year ended March 31, 2025 (822 million yen) (—%)
 Fiscal year ended March 31, 2024 (433 million yen) (—%)

	Basic earnings per share	Diluted earnings per share	Profit/Equity	Ordinary profit/Total assets	Operating profit/Net assets
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	(72.85)	—	(30.7)	(25.6)	(154.6)
March 31, 2024	(7.88)	—	(4.9)	(2.9)	(107.3)

(Reference) Share of profit (loss) of entities Fiscal year ended March 31, 2025 —
 accounted for using equity method: Fiscal year ended March 31, 2024 —

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

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	3,411	3,131	91.7	277.26
As of March 31, 2024	2,378	2,090	87.9	203.15

(Reference) Equity: As of March 31, 2025: 3,128 million yen
 As of March 31, 2024: 2,090 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2025	(815)	(161)	1,850	2,593
March 31, 2024	(490)	(432)	1,759	1,719

2. Dividends

	Annual dividends					Annual dividends (Total)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2024	—	0.00	—	0.00	0.00	—	—	—
March 31, 2025	—	0.00	—	0.00	0.00	—	—	—
March 31, 2026 (Forecast)	—	0.00	—	0.00	0.00		—	

3. Earnings Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(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	35.3	(780)	—	—	—	—	—	—

Notes:

(1) Important changes in subsidiaries during the consolidated fiscal period (cumulative): None

(Change in scope of consolidation of specified subsidiaries)

New companies: — (company name)

Excluded companies: — (company name)

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2025: 11,283,267 shares

As of March 31, 2024: 10,288,867 shares

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

As of March 31, 2025: 542 shares

As of March 31, 2024: 497 shares

3) Average number of shares outstanding during the period (cumulative):

As of March 31, 2025: 11,004,731 shares

As of March 31, 2024: 8,872,858 shares

(※) Financial results are not subject to audit by certified public accountants or auditing firm.

(※) Explanation for the appropriate use of performance forecasts and other special notes

The forward-looking statements such as performance forecasts indicated in this document are based on information currently available to the Company and certain assumptions that the Company judges to be reasonable. Actual results may differ materially due to various factors.

Consolidated Financial Statements and Relevant Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	1,719,733	2,593,858
Notes, accounts receivable – trade and contract	123,432	182,513
Operational investment securities	32,964	32,964
Inventories	12,522	39,840
Short-term loans receivable	7,347	7,291
Income taxes refund receivable	1	7,420
Consumption taxes receivable	3,307	10,663
Other	57,965	13,506
Allowance for doubtful accounts	(3,673)	(5,910)
Total current assets	1,953,600	2,882,149
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	500,000
Guarantee deposits	24,807	28,985
Other	7	7
Total investments and other assets	424,815	528,992
Total non-current assets	424,815	528,992
Total assets	2,378,416	3,411,142
Liabilities		
Current liabilities		
Accounts payable–trade	—	4,565
Accounts payable–other	24,572	34,025
Short-term borrowings	200,000	200,000
Income taxes payable	11,531	1,393
Contract liabilities	10,090	383
Provision for bonuses	—	11,988
Deposits received	7,464	5,839
Other	27,228	14,956
Total current liabilities	280,887	273,151
Non-Current liabilities		
Deferred tax liabilities	6,716	6,886
Total non-current liabilities	6,716	6,886
Total liabilities	287,603	280,037
Net assets		
Shareholders' equity		
Share capital	740,148	13,317
Capital surplus	1,776,028	3,927,201
Retained earnings	160,307	(205,294)
Treasury shares	(1,704)	(1,812)
Total shareholders' equity	2,674,779	3,733,411
Accumulated other comprehensive income		
Foreign currency translation adjustment	(597,945)	(618,269)
Valuation difference on available-for-sale securities	13,284	13,114
Total accumulated other comprehensive income	(584,661)	(605,155)
Share acquisition rights	695	2,849
Total net assets	2,090,813	3,131,104
Total liabilities and net assets	2,378,416	3,411,142

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

Consolidated Statement of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	490,952	517,549
Cost of sales	51,952	177,217
Gross profit	439,000	340,331
Selling, general and administrative expenses	966,177	1,140,926
Operating profit	(527,176)	(800,595)
Non-operating income		
Interest income	12	1,471
Subsidy income	100,457	46,844
Foreign exchange gains	384,399	21,538
Other	188	129
Total non-operating income	485,058	69,984
Non-operating expenses		
Interest expenses	3,658	4,194
Share issuance cost	956	1,334
Provision of allowance for doubtful accounts	3,673	—
Bad debt expenses	—	6,603
Other	88	532
Total non-operating expenses	8,376	12,664
Ordinary profit (loss)	(50,494)	(743,274)
Extraordinary Losses		
Impairment losses	18,249	57,428
Other	0	0
Total extraordinary losses	18,249	57,429
Profit (loss) before income taxes	(68,743)	(800,703)
Income taxes-current	1,174	1,020
Total income taxes	1,174	1,020
Profit (loss)	(69,918)	(801,723)
Profit (loss) attributable to owners of parent	(69,918)	(801,723)

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit (loss)	(69,918)	(801,723)
Other comprehensive income		
Valuation difference on available-for-sale securities	—	(170)
Foreign currency translation adjustment	(363,410)	(20,324)
Total other comprehensive income	(363,410)	(20,494)
Comprehensive income	(433,328)	(822,217)
(Breakdown)		
Comprehensive income attributable to owners of parent	(433,328)	(822,217)
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statement of Changes in Equity

For the fiscal year ended March 31, 2024

(Thousands of yen)

	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholder s' equity	Accumulated other comprehensive income			Issuance of share acquisition rights	Total net assets
						Valuation difference on available-for-sale securities	Issuance of share acquisition rights	Total accumulated other comprehensive income		
Balance at beginning of period	345,700	965,814	(332,666)	(1,645)	977,203	13,284	(234,535)	(221,251)	3,829	759,781
Changes during period										
Profit attributable to owners of parent			(69,918)		(69,918)					(69,918)
Capital reduction	(489,329)	489,329			—					—
Deficit disposition		(562,891)	562,891		—					—
Issuance of new shares	883,776	883,776			1,767,553					1,767,553
Purchase of treasury shares				(58)	(58)					(58)
Net changes in items other than shareholders' equity						—	(363,410)	(363,410)	(3,134)	(366,544)
Total changes during period	394,447	810,213	492,973	(58)	1,697,567	—	(363,410)	(363,410)	(3,134)	1,331,031
Balance at end of period	740,148	1,776,028	160,307	(1,704)	2,674,779	13,284	(597,945)	(584,661)	695	2,090,813

For the fiscal year ended March 31, 2025

(Thousands of yen)

	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholder s' equity	Accumulated other comprehensive income			Issuance of share acquisition rights	Total net assets
						Valuation difference on available-for-sale securities	Issuance of share acquisition rights	Total accumulated other comprehensive income		
Balance at beginning of period	740,148	1,776,028	160,307	(1,704)	2,674,779	13,284	(597,945)	(584,661)	695	2,090,813
Changes during period										
Profit attributable to owners of parent			(801,723)		(801,723)					(801,723)
Capital reduction	(1,657,063)	1,657,063			—					—
Deficit disposition		(436,121)	436,121		—					—
Issuance of new shares	930,231	930,231			1,860,463					1,860,463
Purchase of treasury shares				(108)	(108)					(108)
Net changes in items other than shareholders' equity						(170)	(20,324)	(20,494)	2,154	(18,340)
Total changes during period	(726,831)	2,151,173	(365,601)	(108)	1,058,632	(170)	(20,324)	(20,494)	2,154	1,040,291
Balance at end of period	13,317	3,927,201	(205,294)	(1,812)	3,733,411	13,114	(618,269)	(605,155)	2,849	3,131,104

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	(68,743)	(800,703)
Increase (decrease) in allowance for doubtful accounts	3,661	2,181
Increase (decrease) in provision for bonuses	—	11,915
Foreign exchange losses(gains)	(390,608)	(24,636)
Interest income	(12)	(1,471)
Interest expenses	3,658	4,194
Share issuance cost	956	1,334
Share-based payment expenses	3,838	10,410
Impairment losses	18,249	57,428
Subsidy income	(100,457)	(46,844)
Decrease (increase) in notes and accounts receivable-trade and contract assets	(41,901)	(58,417)
Decrease (increase) in inventories	(12,266)	(27,154)
Increase (decrease) in trade payables	(183)	4,565
Other	(27,143)	16,072
Subtotal	(610,952)	(851,123)
Interest received	12	1,471
Interest paid	(3,658)	(4,194)
Subsidies received	107,217	46,844
Income taxes paid	(958)	(8,065)
Income taxes refund	17,502	—
Cash flows from operating activities	(490,837)	(815,067)
Cash flows from investing activities		
Purchase of property, plant and equipment	(18,249)	(57,428)
Loan advances	(7,347)	—
Purchase of investment securities	(400,000)	(100,000)
Payments of guarantee deposits	(8,294)	(4,368)
Proceeds from refund of guarantee deposits	1,107	—
Cash flows from investing activities	(432,784)	(161,796)
Cash flows from financing activities		
Proceeds from issuance of shares	1,755,991	1,845,102
Purchase of treasury shares	(58)	(108)
Proceeds from issuance of share acquisition rights	3,632	5,770
Cash flows from financing activities	1,759,564	1,850,764
Effect of exchange rate change on cash and cash equivalents	31,713	224
Net increase (decrease) in cash and cash equivalents	867,656	874,125
Cash and cash equivalents at beginning of period	852,076	1,719,733
Cash and cash equivalents at end of period	1,719,733	2,593,858