

Company Name Kudan Inc.
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(Securities code: 4425 TSE Growth)
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**Notification of revision of annual earnings forecast
for the fiscal year ending March 2026**

Kudan Inc. (henceforth in this document as “Kudan”) has revised its consolidated earnings forecast for the fiscal year ending March 2026 (April 1, 2025 to March 31, 2026) that was announced on May 15, 2025.

1. Revision to the consolidated earnings forecast for the fiscal year ending March 2026

(April 1, 2025 – March 31, 2026)

	Net Sales	Operating profit	Adjusted Operating Profit*1	Ordinary Profit	Profit attributable to owners of parent	Basic earnings per share
Previously released forecast (A)	Million yen 700	Million yen △780	Million yen △720	Million yen —	Million yen —	yen —
Revised forecast (B)	920~1,020	△770 ~△730	△720 ~△680	—	—	—
Discrepancy (B-A)	220~320	10~50	0~40	—	—	—
Rate of change (%)	31.4~45.7	—	—	—	—	—
Reference: Previous FY results (FY2025)	517	△800	△753	△743	△801	△72.85

(*1) Adjusted Operating Profit: Operating profit plus recurring government research and development subsidies, which serves as an indicator of business profitability. Please refer to the supplementary documentation to the financial report for the FY2025 full-year and FY2026 Q1.

2. Reason for the revision

This revision to the earnings forecast is prompted by the confirmation of the initial payment for a national project in the robotics field, following the progress of the approval and payment process from the commissioning party.*2 After securing the order, we have carefully examined the accounting treatment for this fiscal year's earnings. With the accounting treatment for this project's budget now clarified, we have decided to promptly revise our earnings forecast in accordance with the principles of timely disclosure.

(*2) Please refer to “Kudan Selected for NEDO’s Open Call: “Research and Development Project of the Enhanced Infrastructures for Post-5G Information and Communication Systems: Building a Software Development Platform for Robotics”” disclosed on 4th August, 2025.

Our growth strategies centered on "Utilization of HW Packages" and "Expansion of SW Technology" have progressed smoothly, with business expanding significantly, particularly in the Digital Twin domain. As a result, sales of hardware/software packages are expected to exceed the plan by 100 to 150 million yen, Digital Twin solution sales by 50 to 100 million yen, and revenue from the national project in the robotics field by 70 million yen.*3 Accordingly, we have revised our full-year net sales upward from 700 million yen to 920 to 1,020 million yen.

(*3) This represents the upward revision from the earnings forecast at the beginning of the fiscal year and differs from the individual contract amount or initial payment amount. This project spans multiple fiscal years, and the forecast amount for the current fiscal year is calculated based on the progress of the project and contractual terms.

On the cost side, while there has been some delay in structural cost reduction compared to the initial plan, we expect to reach the initially anticipated level by the end of the fiscal year. As a result, operating loss is expected to improve from the initial forecast (Δ 780 million yen) to Δ 770 to Δ 730 million yen.

On an adjusted operating profit basis, we expect Δ 720 to Δ 680 million yen for the full year (initial forecast: Δ 720 million yen), and an improvement to an annual equivalent of Δ 520 to Δ 480 million yen based on the earnings structure at fiscal year-end*4. Furthermore, we anticipate further improvement to Δ 350 to Δ 400 million yen for the full year of the next fiscal year (ending March 2027), with the path to profitability becoming increasingly clear.

(*4) Calculated by deducting the cost level at fiscal year-end from full-year sales and subsidy income.

Based on the above circumstances, we have revised our annual earnings forecast as described above. For further details regarding this revision, please refer to the "Supplementary document on the revision of annual Earnings forecast of the fiscal year ending March 2026" announced today.

※ The above forecasts are based on information available as of the date of this document, and actual performance may vary due to various factors in the future.