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Consolidated Financial Results For the Six Months Ended September 30, 2025 [Japanese GAAP]

November 13, 2025

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
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 Phone: +81-3-6892-7333
 Scheduled date of filing quarterly securities report: November 13, 2025
 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, 2025 (April 1, 2025 to September 30, 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	%
Six months ended September 30, 2025	400	170.2	(416)	—	(287)	—	(329)	—
September 30, 2024	148	101.6	(437)	—	(519)	—	(553)	—

(Note) Comprehensive income: Six months ended September 30, 2025 (419 million yen) (—%)
 Six months ended September 30, 2024 (482 million yen) (—%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2025	(29.21)	—
September 30, 2024	(51.60)	—

(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, 2025	3,033	2,716	89.4
As of March 31, 2025	3,411	3,131	91.7

(Reference) Equity: As of September 30, 2025: ¥2,712 million
 As of March 31, 2025: ¥3,128 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2025	Yen —	Yen 0.00	Yen —	Yen 0.00	Yen 0.00
Fiscal year ending March 31, 2026	—	0.00			
Fiscal year ending March 31, 2026 (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, 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	920~ 1,020	31.4~ 45.7	(770)~ (730)	—	—	—	—	—	—

(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.: None
 - 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, 2025: 11,284,967 shares
 - As of March 31, 2025: 10,283,267 shares
 - 2) Number of treasury shares at the end of the period:
 - As of September 30, 2025: 542 shares
 - As of March 31, 2025: 542 shares
 - 3) Average number of shares outstanding during the period (cumulative):
 - As of September 30, 2025: 11,284,044 shares
 - As of September 30, 2024: 10,529,864 shares

Consolidated Financial Statements and Relevant Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	2,593,858	2,201,696
Accounts receivable – trade and contract assets	182,513	163,461
Operational investment securities	32,964	2,964
Inventories	39,840	58,568
Short-term loans receivable	7,291	7,852
Income taxes receivable	7,420	—
Consumption taxes receivable	10,663	7,068
Other	13,506	64,902
Allowance for doubtful accounts	(5,919)	(4,020)
Total current assets	2,882,149	2,502,493
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings, net	0	0
Tools, furniture and fixtures, net	0	1,704
Vehicles, net	0	0
Total property, plant and equipment	0	1,704
Investments and other assets		
Investment securities	500,000	500,000
Guarantee deposits	28,985	29,323
Other	7	7
Total investments and other assets	528,992	529,331
Total non-current assets	528,992	531,035
Total assets	3,411,142	3,033,529
Liabilities		
Current liabilities		
Accounts payable–trade	4,565	—
Accounts payable–other	34,025	21,913
Short-term borrowings	200,000	200,000
Income taxes payable	1,393	52,936
Contract liabilities	383	3,163
Provision for bonuses	11,988	—
Deposits received	5,839	5,916
Other	14,956	33,233
Total current liabilities	273,151	317,162
Non-Current liabilities		
Deferred tax liabilities	6,886	—
Total non-current liabilities	6,886	—
Total liabilities	28,0037	317,162
Net assets		
Shareholders' equity		
Share capital	13,317	14,914
Capital surplus	3,927,201	3,120,581
Retained earnings	(205,294)	273,320

(Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Treasury shares	(1,812)	(1,812)
Total shareholders' equity	3,733,411	3,407,004
Accumulated other comprehensive income		
Foreign currency translation adjustment	(618,269)	(694,770)
Valuation difference on available-for-sale securities	13,114	—
Total accumulated other comprehensive income	(605,155)	(694,770)
Subscription rights to shares	2,849	4,132
Total net assets	3,131,104	2,716,366
Total liabilities and net assets	3,411,142	3,033,529

(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, 2024	For the six months ended September 30, 2025
Net sales	148,188	400,331
Cost of sales	31,623	292,334
Gross profit (loss)	116,565	107,996
Selling, general and administrative expenses	554,188	524,195
Operating loss	(437,622)	(416,198)
Non-operating income		
Interest income	209	1,948
Foreign exchange gains	—	78,830
Subsidy income	—	48,422
Other	106	2,341
Total non-operating income	315	131,543
Non-operating expenses		
Foreign exchange losses	78,901	—
Interest expenses	2,050	2,406
Share issuance costs	1,166	140
Other	482	—
Total non-operating expenses	82,600	2,546
Ordinary loss	(519,907)	(287,201)
Extraordinary loss		
Impairment losses	33,559	847
Extraordinary loss	33,559	847
Loss before income taxes	(553,466)	(288,049)
Income taxes	205	41,552
Total income taxes	205	41,552
Loss	(553,672)	(329,602)
Loss attributable to owners of parent	(553,672)	(329,602)

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Profit (loss)	(553,672)	(329,602)
Other comprehensive income		
Valuation difference on available-for-sale securities	—	(13,114)
Foreign currency translation adjustment	70,682	(76,500)
Total other comprehensive income	70,682	(89,614)
Comprehensive income	(482,989)	(419,217)
(Breakdown)		
Comprehensive income attributable to owners of parent	(482,989)	(419,217)
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statement of Cash Flows

(Thousands of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from operating activities		
Loss before income taxes	(553,466)	(288,049)
Depreciation	—	69
Increase (decrease) in allowance for doubtful accounts	4,278	(2,201)
Foreign exchange losses(gains)	77,432	(79,623)
Interest income	(209)	(1,948)
Interest expenses	2,050	2,406
Share issuance cost	1,166	140
Share-based payment expenses	3,095	4,477
Impairment losses	33,559	847
Subsidy income	—	(48,422)
Increase (decrease) in provision for bonuses	—	(12,275)
Decrease (increase) in accounts receivable - trade, and contract assets	23,809	18,092
Decrease (increase) in inventories	(25,981)	(18,479)
Increase (decrease) in trade payables	—	(4,565)
Decrease (increase) in investment securities for sale	—	29,999
Other	2,127	30
Subtotal	(432,138)	(399,502)
Interest received	209	1,948
Interest paid	(2,050)	(2,406)
Income taxes paid	(31)	(1,810)
Income taxes refund	1	7,420
Cash flows from operating activities	(434,008)	(394,349)
Cash flows from investing activities		
Purchase of property, plant and equipment	(33,559)	(2,690)
Payments of guarantee deposits	(4,368)	—
Cash flows from investing activities	(37,927)	(2,690)
Cash flows from financing activities		
Proceeds from issuance of shares	1,845,267	1
Purchase of treasury shares	(108)	—
Proceeds from issuance of share acquisition rights	5,770	—
Cash flows from financing activities	1,850,928	1
Effect of exchange rate change on cash and cash equivalents	(4,298)	4,876
Net increase (decrease) in cash and cash equivalents	1,374,693	(392,162)
Cash and cash equivalents at beginning of period	1,719,733	2,593,858
Cash and cash equivalents at end of period	3,094,427	2,201,696