November 17, 2025

Company Name	Kudan Inc.
Representative	CEO Daiu Ko (Securities code: 4425 TSE Growth)
Inquiries	Head of Administration Tatsuhiro Ishii (Tel. 03-6892-7333)

The transcript of the question and answer in the financial report presentation meeting for institutional investors and analysts is now available online

Kudan Inc. (henceforth in this document as "Kudan") held the financial report presentation for institutional investors and analysts on November 14, 2025. In order to disclose information to investors in a timely manner, the English-translated transcript of the question and answer session is available in this release.

【FY2026 Q2 financial report presentation meeting for institutional investors and analysts】

1. Date: Friday, November 14, 2025
2. Speakers: Daiu Ko, CEO
   Tatsuhiro Ishii, Head of Administration

▼▼Financial report presentation video can be viewed from below (Japanese only)▼▼
https://youtu.be/nYs5o40xH4E

▼▼Financial report presentation transcript can be viewed from below (English)▼▼
https://contents.xj-storage.jp/xcontents/AS02977/23508b18/14e8/4e2e/9fb2/61054cf772b7/140120251108592859.pdf

▼▼Supplementary documentation to the financial report for FY2026 Q2 can be viewed from below (English)▼▼
https://contents.xj-storage.jp/xcontents/AS02977/856e9e4d/2f0a/413d/8537/490062e50976/140120251108592857.pdf

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【List of questions and answers】

1. Please elaborate on why the loss at the end of the fiscal year is expected to be significantly smaller than the full-year loss, as shown on page 6.

We expect to complete our profitability improvement measures within this fiscal year, with the effects materializing in the next fiscal year. The improved financial position at year-end will become the starting point for next fiscal year, and this projected level forms the basis of our year-end profitability estimate.

This estimate reflects improvements that will carry over into the next fiscal year, while excluding one-off expenses incurred only in the current fiscal year. As a result, the year-end loss is expected to be significantly smaller than the full-year loss.

2. The materials mention that delays in cost reduction limited the upward revision in full-year profit. What caused these delays, and what measures are being taken to prevent further delays?

Our business grew beyond initial expectations, and as a result, we needed to revise our cost-reduction plan to align with the expanded scale of operations.
The revised plan has already been finalized, and most of the associated measures are progressing well. At present, we do not anticipate any further delays.

3. After reducing fixed costs to approximately 950 million yen by year-end, is there further room for reduction? Also, what level of annual revenue do you estimate will be required to achieve operating profitability?

The fixed-cost reduction plan is scheduled for completion by the end of this fiscal year, and we are not currently assuming further reductions.
We are reviewing the timeline and required revenue level for achieving operating profitability, and we will disclose the information once our outlook is finalized.

4. Based on your current cash position and expected monthly cash outflows, how long can the company continue operations without additional financing? Additionally, how are you considering potential financing needs for future growth investments?

Given our current cash position, we expect to achieve profitability without raising additional capital.
We do not currently have any growth investment projects requiring disclosure. Should such matters arise, we will disclose them at the appropriate timing.
At this point, we do not recognize a need for additional financing.

5. What is your target for the future revenue mix between software (SW) licenses/solutions and hardware (HW)?

We treat software licenses and software-based solutions as a single unified revenue category, as both are fundamentally monetized through some form of software licensing.
Accordingly, our business can broadly be divided into two categories:
(1) Software (SW), and (2) Hardware packages that incorporate our SW.

At present, HW package revenue is growing more rapidly, as customers typically begin by purchasing HW packages when evaluating our software or considering solution development. This results in HW ramping up earlier than SW.

Over the long term, however, we expect higher growth from our software business. Our strategic direction is to build a revenue structure primarily driven by software.

※If you have any inquiries regarding the contents of the financial report presentation, please feel free to contact us at Kudan's contact form below. Also, if you would like to have an interview with us, please let us know as well.

■Company Details
Name: Kudan Inc.
Securities Code: 4425 (TSE Growth)
Representative: CEO Daiu Ko

■For more details, please contact us from here.