



Supplementary document on the revision of annual earnings forecast of the fiscal year ending March 2026

Kudan Inc. (TSE Growth : 4425)
March 3, 2026

Revision to Annual Earnings Forecast



- Following the upward revision¹ announced on October 31, revenue related to digital twin applications and software/hardware packages has continued to expand. In addition, progress in finalizing revenue recognition for large-scale projects has led Kudan to further revise upward its full-year earnings forecast for revenue and profit
- Amid the acceleration of public and private investment as the Physical AI market enters a phase of full-scale expansion, revenue has grown steadily, and losses have narrowed

[Million yen]	FY2025 Results		FY2026 Forecast			vs. Previous Forecast vs. FY2025 Results
			Initial Forecast	Revised Forecast	Current Forecast (After Revision)	
Revenue	517	517	920~1,020	1,100	<ul style="list-style-type: none"> • Revenue growth from digital twin applications • Revenue growth from Software and Hardware Packages 	
Operating profit	△800	△780	△770~△730	△680	<ul style="list-style-type: none"> • Increase in profit driven by revenue growth (Approx. +JPY 240 million) • -Increase in fixed costs³ (Approx. -JPY 70 million) • Increase in R&D subsidies in Europe (Approx. +JPY 10 million) 	
Adjusted operating profit ²	△753	△720	△720~△680	△620		

1. See the Supplementary document on the revision of annual earnings forecast of the fiscal year ending March 2026
2. The profit figure shown here represents a measure of business profitability, calculated as operating profit (loss) plus recurring government research and development subsidy income, which is recorded every fiscal year
3. Temporary increase carried over from the second half of the previous fiscal year; cost structure expected to improve by the end of the current fiscal year. See pages 4-5 of the Supplementary document on the revision of annual earnings forecast of the fiscal year ending March 2026

Handling of this Document

This document contains Kudan's plans, estimates and expectations for the future based on its current business situation and industry trends.

All such projections for the future inherently involve uncertainty and a wide variety of risks.

It is conceivable that risks both understood and unforeseen, uncertainties and other factors may cause actual results to differ from the projections contained within this document.

Kudan offers no guarantee of the accuracy of its projections for the future and accepts that they may differ significantly from actual results.

All projections for the future included in this document are based upon information available at the present time and may not be updated or changed to reflect future developments or changes in status.

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