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Consolidated Financial Results For the Fiscal Year Ended March 31, 2026 [Japanese GAAP]

May 14, 2026

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 26, 2026
 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, 2026 (April 1, 2025 to March 31, 2026)

(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, 2026	1,196	131.3	(585)	—	(174)	—	(188)	—
March 31, 2025	517	5.4	(800)	—	(743)	—	(801)	—

(Note) Comprehensive income: Fiscal year ended March 31, 2026 (536 million yen) (—%)
 Fiscal year ended March 31, 2025 (822 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, 2026	(16.68)	—	(6.5)	(5.4)	(48.9)
March 31, 2025	(72.85)	—	(30.7)	(25.6)	(154.6)

(Reference) Share of profit (loss) of entities Fiscal year ended March 31, 2026 —
 accounted for using equity method: Fiscal year ended March 31, 2025 —

(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, 2026	2,977	2,642	88.2	232.30
As of March 31, 2025	3,411	3,131	91.7	277.26

(Reference) Equity: As of March 31, 2026: 2,625 million yen
 As of March 31, 2025: 3,128 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, 2026	(632)	(13)	18	1,986
March 31, 2025	(815)	(161)	1,850	2,593

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, 2025	—	0.00	—	0.00	0.00	—	—	—
March 31, 2026	—	0.00	—	0.00	0.00	—	—	—
March 31, 2027 (Forecast)	—	0.00	—	0.00	0.00		—	

3. Earnings Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(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	1,030	(13.9)	(340)	—	—	—	—	—	—

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.: None

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, 2026: 11,301,267 shares

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

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

As of March 31, 2026: 568 shares

As of March 31, 2025: 542 shares

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

As of March 31, 2026: 11,286,845 shares

As of March 31, 2025: 11,004,731 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, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	2,593,858	1,986,078
Notes, accounts receivable – trade and contract	182,513	367,641
Operational investment securities	32,964	2,157
Inventories	39,840	56,552
Short-term loans receivable	7,291	3,668
Income taxes refund receivable	7,420	580
Consumption taxes receivable	10,663	—
Other	13,506	34,395
Allowance for doubtful accounts	(5,910)	(3,477)
Total current assets	2,882,149	2,447,595
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	500,000	500,000
Guarantee deposits	28,985	30,380
Other	7	7
Total investments and other assets	528,992	530,387
Total non-current assets	528,992	530,387
Total assets	3,411,142	2,977,983
Liabilities		
Current liabilities		
Accounts payable–trade	4,565	22,302
Accounts payable–other	34,025	28,243
Short-term borrowings	200,000	200,000
Income taxes payable	1,393	20,946
Contract liabilities	383	—
Provision for bonuses	11,988	—
Deposits received	5,839	5,061
Other	14,956	58,979
Total current liabilities	273,151	335,533
Non-Current liabilities		
Deferred tax liabilities	6,886	—
Total non-current liabilities	6,886	—
Total liabilities	280,037	335,533
Net assets		
Shareholders' equity		
Share capital	13,317	30,088
Capital surplus	3,927,201	3,135,755
Retained earnings	(205,294)	414,656
Treasury shares	(1,812)	(1,838)
Total shareholders' equity	3,733,411	3,578,661
Accumulated other comprehensive income		
Foreign currency translation adjustment	(618,269)	(953,485)
Valuation difference on available-for-sale securities	13,114	—
Total accumulated other comprehensive income	(605,155)	(953,485)
Share acquisition rights	2,849	17,273
Total net assets	3,131,104	2,642,449
Total liabilities and net assets	3,411,142	2,977,983

(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, 2025	For the fiscal year ended March 31, 2026
Net sales	517,549	1,196,972
Cost of sales	177,217	826,194
Gross profit	340,331	370,777
Selling, general and administrative expenses	1,140,926	956,733
Operating profit	(800,595)	(585,955)
Non-operating income		
Interest income	1,471	3,789
Foreign exchange gains	21,538	354,693
Subsidy income	46,844	58,313
Other	129	2,875
Total non-operating income	69,984	419,671
Non-operating expenses		
Interest expenses	4,194	4,839
Share issuance cost	1,334	223
Settlement Payments	—	2,250
Bad debt expenses	6,603	—
Other	532	890
Total non-operating expenses	12,664	8,203
Ordinary profit (loss)	(743,274)	(174,487)
Extraordinary Losses		
Impairment losses	57,428	12,758
Other	0	—
Total extraordinary losses	57,429	12,758
Profit (loss) before income taxes	(800,703)	(187,246)
Income taxes-current	1,020	1,020
Total income taxes	1,020	1,020
Profit (loss)	(801,723)	(188,266)
Profit (loss) attributable to owners of parent	(801,723)	(188,266)

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit (loss)	(801,723)	(188,206)
Other comprehensive income		
Valuation difference on available-for-sale securities	(170)	(13,114)
Foreign currency translation adjustment	(20,324)	(335,215)
Total other comprehensive income	(20,494)	(348,329)
Comprehensive income	(822,217)	(536,596)
(Breakdown)		
Comprehensive income attributable to owners of parent	(822,217)	(536,596)
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statement of Changes in Equity

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

For the fiscal year ended March 31, 2026

(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	13,317	3,927,201	(205,294)	(1,812)	3,733,411	13,114	(618,269)	(605,155)	2,849	3,131,104
Changes during period										
Profit attributable to owners of parent			(188,266)		(188,266)					(188,266)
Deficit disposition		(808,217)	808,217		—					—
Issuance of new shares	16,771	16,771			33,543					33,543
Purchase of treasury shares				(26)	(26)					(26)
Net changes in items other than shareholders' equity						(13,114)	(335,215)	(348,329)	14,424	(333,905)
Total changes during period	16,771	(791,446)	619,951	(26)	(154,749)	(13,114)	(335,215)	(348,329)	14,424	(488,654)
Balance at end of period	30,088	3,135,755	414,656	(1,838)	3,578,661	—	(953,485)	(953,485)	17,273	2,642,449

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	(800,703)	(187,246)
Increase (decrease) in allowance for doubtful accounts	2,181	(2,948)
Increase (decrease) in provision for bonuses	11,915	(12,275)
Foreign exchange losses(gains)	(24,636)	(354,867)
Interest income	(1,471)	(3,789)
Interest expenses	4,194	4,839
Share issuance cost	1,334	223
Share-based payment expenses	10,410	29,477
Impairment losses	57,428	12,758
Subsidy income	(46,844)	(58,313)
Decrease (increase) in notes and accounts receivable-trade and contract assets	(58,417)	(158,521)
Decrease (increase) in inventories	(27,154)	(15,645)
Increase (decrease) in trade payables	4,565	17,737
Decrease(Increase) in operational investment securities	—	30,807
Other	16,072	12,140
Subtotal	(851,123)	(685,623)
Interest received	1,471	3,789
Interest paid	(4,194)	(4,839)
Subsidies received	46,844	48,775
Income taxes paid	(8,065)	(994)
Income taxes refund	—	6,840
Cash flows from operating activities	(815,067)	(632,051)
Cash flows from investing activities		
Purchase of property, plant and equipment	(57,428)	(12,758)
Purchase of investment securities	(100,000)	—
Payments of guarantee deposits	(4,368)	(975)
Cash flows from investing activities	(161,796)	(13,734)
Cash flows from financing activities		
Proceeds from issuance of shares	1,845,102	18,490
Purchase of treasury shares	(108)	(26)
Proceeds from issuance of share acquisition rights	5,770	—
Cash flows from financing activities	1,850,764	18,464
Effect of exchange rate change on cash and cash equivalents	224	19,541
Net increase (decrease) in cash and cash equivalents	874,125	(607,780)
Cash and cash equivalents at beginning of period	1,719,733	2,593,858
Cash and cash equivalents at end of period	2,593,858	1,986,078