Translation

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Consolidated Financial Results
For the Three Months Ended June 30, 2026
[Japanese GAAP]

August 13, 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
Contact: Yutaka Oshima, Head of Administration
Phone: +81-3-6892-7333
Scheduled date of commencing dividend payments: None
Availability of supplementary briefing material on quarterly financial results: Available
Holding of quarterly financial results briefing session: None

(Amounts of less than one million yen are rounded down.)

1. Financial Results for the Three Months Ended June 30, 2026 (April 1, 2026 to June 30, 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	%
Three months ended June 30, 2026	112	(33.5)	(148)	—	(70)	—	(71)	—
June 30, 2025	168	382.9	(245)	—	(229)	—	(230)	—

(Note) Comprehensive income: Three months ended June 30, 2026 (145 million yen) (—%)
Three months ended June 30, 2025 (264 million yen) (—%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2026	(6.33)	—
June 30, 2025	(20.41)	—

(Note) Diluted earnings per share for the three months ended June 30, 2025 was negative and therefore is not indicated.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2026	2,755	2,502	90.6
As of March 31, 2026	2,977	2,642	88.2

(Reference) Equity: As of June 30, 2026: 2,496 million yen
As of March 31, 2026: 2,625 million yen

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	—	0.00	—	0.00	0.00
Fiscal year ending March 31, 2027	—				
Fiscal year ending March 31, 2027 (Forecast)		0.00	—	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, 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)	—	—	—	—	—	—

(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)
Notice regarding important changes in subsidiaries during the fiscal period

(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 June 30, 2026: 11,329,267 shares
As of March 31, 2026: 11,301,267 shares
2) Number of treasury shares at the end of the period:
As of June 30, 2026: 568 shares
As of March 31, 2026: 568 shares
3) Average number of shares outstanding during the period (cumulative):
As of June 30, 2026: 11,318,218 shares
As of June 30, 2025: 11,283,668 shares

Consolidated Financial Statements and Relevant Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	1,986,078	2,032,943
Accounts receivable – trade and contract assets	367,641	92,739
Operational investment securities	2,157	2,157
Inventories	56,552	48,457
Short-term loans receivable	3,668	927
Income taxes refund receivable	580	580
Other	34,395	67,727
Allowance for doubtful accounts	(3,477)	(2,138)
Total current assets	2,447,595	2,243,394
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	30,380	12,594
Other	7	7
Total investments and other assets	530,387	512,601
Total non-current assets	530,387	512,602
Total assets	2,977,983	2,755,997
Liabilities		
Current liabilities		
Accounts payable–trade	22,302	—
Accounts payable–other	28,243	24,156
Short-term borrowings	200,000	200,000
Income taxes payable	20,946	3,945
Contract liabilities	—	6,073
Deposits received	5,061	5,001
Other	58,979	14,083
Total current liabilities	335,533	253,259
Total liabilities	335,533	253,259
Net assets		
Shareholders' equity		
Share capital	30,088	38,347
Capital surplus	3,135,755	2,576,218
Retained earnings	414,656	910,819
Treasury shares	(1,838)	(1,838)
Total shareholders' equity	3,578,661	3,523,546
Accumulated other comprehensive income		
Foreign currency translation adjustment	(953,485)	(1,026,978)
Total accumulated other comprehensive income	(953,485)	(1,026,978)
Share acquisition rights	17,273	6,169
Total net assets	2,642,449	2,502,737
Total liabilities and net assets	2,977,983	2,755,997

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Net sales	168,600	112,098
Cost of sales	123,010	75,349
Gross profit	45,589	36,748
Selling, general and administrative expenses	291,304	185,147
Operating loss	(245,715)	(148,398)
Non-operating income		
Foreign exchange gains	15,442	77,386
Other	2,056	1,998
Total non-operating income	17,498	79,385
Non-operating expenses		
Interest expenses	1,196	1,321
Share issuance cost	84	64
Total non-operating expenses	1,280	1,385
Ordinary profit(loss)	(229,497)	(70,398)
Extraordinary income		
Gain on reversal of share acquisition rights	—	5,504
Extraordinary income	—	5,504
Extraordinary loss		
Impairment losses	847	6,739
Extraordinary loss	847	6,739
Profit(loss) before income taxes	(230,345)	(71,633)
Income taxes-current	—	—
Total income taxes	—	—
Profit(loss)	(230,345)	(71,633)
Profit(loss) attributable to owners of parent	(230,345)	(71,633)

55

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Profit(loss)	(230,345)	(71,633)
Other comprehensive income		
Valuation difference on available-for-sale securities	(13,114)	—
Foreign currency translation adjustment	(20,578)	(73,492)
Total other comprehensive income	(33,692)	(73,492)
Comprehensive income	(264,038)	(145,126)
(Breakdown)		
Comprehensive income attributable to owners of parent	(264,038)	(145,126)
Comprehensive income attributable to non-controlling interests	—	—